Continuity through Regeneration and Resilience:
Key Metrics of Success and Sustainability for Irish Family Businesses

A report by the Dublin City University National Centre for Family Business
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<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>BEFIT</td>
<td>Business in Europe: Framework for Income Taxation</td>
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<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
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<tr>
<td>CSO</td>
<td>Central Statistics Office</td>
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<td>DCU</td>
<td>Dublin City University</td>
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<tr>
<td>EBITDA</td>
<td>Earnings before interest, taxes, depreciation and amortisation</td>
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<td>ESRI</td>
<td>Economic and Social Research Institute</td>
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<td>EU</td>
<td>European Union</td>
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<td>FDI</td>
<td>Foreign Direct Investment</td>
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<td>HICP</td>
<td>Harmonised Index of Consumer Prices</td>
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<td>HSE</td>
<td>Health Service Executive</td>
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<td>IBEC</td>
<td>Irish Business and Employers’ Confederation</td>
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<td>IT</td>
<td>Information Technology</td>
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<td>MOU</td>
<td>Memorandum of Understanding</td>
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<td>MSI</td>
<td>Master system integrator</td>
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<td>NIFB</td>
<td>Northern Irish Family Business</td>
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<td>NCAD</td>
<td>National College of Art and Design</td>
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<td>NCFB</td>
<td>National Centre for Family Business</td>
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<td>SDG</td>
<td>Sustainable Development Goal</td>
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<tr>
<td>SEAI</td>
<td>Sustainable Energy Authority of Ireland</td>
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<tr>
<td>SME</td>
<td>Small- and medium-sized enterprise</td>
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<tr>
<td>STEM</td>
<td>Science, technology, engineering and mathematics</td>
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<tr>
<td>TBESS</td>
<td>Temporary Business Energy Support Scheme</td>
</tr>
<tr>
<td>TMT</td>
<td>Top management team</td>
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<td>UK</td>
<td>United Kingdom</td>
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Family businesses are the foundation of the Irish economy with 64% of all businesses classified as family businesses. They are the backbone of Irish communities and are at the heart of everything we do at DCU National Centre for Family Business.

Our vision is to achieve national and international recognition as a centre of excellence in research, education and engagement with family businesses in Ireland and across the globe.

By working with and for Irish family businesses, the NCFB produces and shares insights that support sustainable intergenerational family business practices into the future.

We continue to provide family businesses with world-class research, and insights on best practices on family and business management as evidenced with the launch of this report “Continuity through Regeneration and Resilience – the key metrics of success and sustainability for Irish Family Businesses”. This report investigates the question – What makes some businesses more resilient, or successful at handling change than their competitors?

We hope you find it both useful and informative.

Paul Hennessy
Chairperson

DCU National Centre for Family Business – Advisory Board
As the leading business bank in Ireland, AIB realises the role universities play in developing the skills and enterprises that the economy needs to continue to develop and grow. This is critical to the success of our customers across the country. Our support to DCU National Centre for Family Business (DCU NCFB) aligns with our purpose to back our customers to achieve their dreams and ambitions.

AIB is a founding Partner of the DCU NCFB and has been involved with the Centre for over 9 years. Family Businesses are in every town, county and city in Ireland and make up the foundational fabric for employment in Irish communities. Family businesses form the heart of communities across Ireland, are the core of our economy and an important client base for AIB, representing 77% of Irish businesses including farms and accounting for approximately 50% of the country’s GDP and approximately 50% of its employment.

As a partner to the Centre, we participate in research, conferences and executive education. We use research findings generated by the NCFB to aid the development of propositions and products to back family business. AIB works closely with the NCFB to provide a platform to support the professionalisation and growth of family business companies in Ireland. We aim to educate the current and next generation leaders about the challenges and opportunities of the family business on issues such as succession planning, next-generation involvement, family and business protection and continuity planning through educational workshops and networking engagements.

AIB is delighted to be a part of this new research on Regeneration and Resilience in Irish family businesses. If Covid taught us anything, it showed us how to be resilient and to innovate, and to do so in a highly collaborative way in order to survive the crisis. In AIB, we transformed our business with the focus on one purpose to ensure we supported our customers both business and personal through that period. That singular purpose, resulted in innovation in our business and showed great resilience by our teams to deliver for our customers. Setting a clear purpose infused with an entrepreneurial spirit, regenerative family businesses understand the change process and embrace bold thinking to address complex challenges. We see this determination and purpose across the five cases studies in the report which we hope will inspire you in your family business.

Furthermore, that regeneration and resilience shown by Irish family businesses will continue through 2022 and beyond, as we navigate the many future issues we are facing into. Regenerative businesses look at the whole picture, as every family business is on a journey from one generation into the next, it is important to consider its sustainable impacts. Sustainability is one of many challenges ahead for Irish businesses, and we know we have a role to play in assisting Irish businesses transition. Green and transition lending now accounts for 23% of AIB’s new lending, showing the transition to a greener future is underway, and demand for green loans is strong. AIB is committed to do more when it comes to sustainability and to support family businesses to take action, recognising that sustainable family businesses are at the heart of our communities across the country.

Lorraine Greene
Head of Market Engagement, Retail SME, AIB p.l.c.
Economic Commentaries

The Republic of Ireland Perspective

The global economy has weakened considerably this year on the back of a sharp pick-up in inflation, in particular energy prices, which has resulted in a big hit to real household disposable incomes and the cost base of businesses. In addition, there has been an associated marked tightening of financial conditions as central banks move to hike interest rates aggressively to dampen down price pressures. This has seen a major scaling back of growth forecasts for the main economies in 2022-2023.

The exact opposite is happening in Ireland, though, with big upgrades to Irish GDP and domestic demand forecasts this year. The latest forecast upgrades have come from the Dept. of Finance at end September, and the Central Bank and ESRI in early October. These forecasters now see Irish GDP rising very strongly by between 8% and 12% this year, with modified domestic demand growing by 6.5-7.5%.

This will be the second successive year of very robust growth by the Irish economy, which has rebounded very strongly from the COVID-19 crisis. It has been helped in this regard by the substantial pandemic related supports provided by the government for households and businesses during 2020-21, and in particular, a marked pick-up in foreign direct investment.

Ireland enjoyed a record year for inflows of foreign direct investment in 2021. The IDA reports that this was exceeded in the first half of 2022, while the pipeline remains relatively positive for the second half of the year, despite a difficult global backdrop. It may well be that Brexit is resulting in increased flows of FDI into Ireland, with the UK, which has been the main competitor for such investment, no longer a member of the EU and Single Market.

The performance of the economy has been very impressive this year. Having grown strongly in 2021, GDP rose by 11% year-on-year in the opening half of 2022. Exports continued to perform strongly, rising by 14%. Modified domestic demand rose by 11.7% from its depressed levels in the opening half of 2021, when much of the economy was in lockdown. Consumer spending was up by 10.5%. Of particular note has been the surge in investment in recent quarters, most notably machinery and equipment as well as house building. Investment rose by 29% in total in the first half of 2022.

The buoyant level of FDI is resulting in very strong growth in exports and investment as noted above, but also employment and tax revenues. Employment at mid-2022 was 11% higher than its pre-COVID levels three years earlier. Meanwhile, the labour force expanded by 10% over the same period, driven by a marked rise in participation rates and continued strong net inward migration.

The strong economic growth has been a boon to the Irish public finances. The initial target set in Budget 2022 was for a budget deficit of €8 billion this year. Instead, a large budget surplus has emerged, which was running at close to €7bn by the end of September. Tax receipts, which rose by 20% in 2021, are up by a further 26% to end September. Income tax is up by 16%, VAT 23% and corporation taxes by a whopping 72% year-to-date.
As announced in Budget 2023, some €4 billion of this budget surplus is going to be used to provide targeted supports over the autumn and winter months for households and businesses that are being hardest hit by surging energy costs.

Such very strong growth in the economy and labour market in 2021-22 was not expected and capacity constraints are starting to emerge. The unemployment rate has fallen to a twenty year low of 4.2-4.3%. The electricity grid is struggling to meet the rising demand for power. Indeed, housing, water, energy, transport and the economy’s wider infrastructure are under increasing strain from strong growth and will require further investment.

Turning to next year, the combination of capacity constraints, a deteriorating global economic backdrop with Europe likely to be in recession, rising interest rates and tightening financial conditions, as well as the negative impact on real household incomes from high inflation, are expected to see a significant slowdown in the pace of growth in the Irish economy. Indeed, we are already seeing signs of a softening in activity in the second half of 2022, as evidenced by the declines in PMI survey data for manufacturing, services and construction as well as a slowdown in retail sales.

Nonetheless, the economy is still expected to perform relatively well next year, on continued inflows of FDI and thus further strong export growth, as well as an expansionary fiscal policy and support from high levels of private sector savings. Budget 2023 confirmed that fiscal policy will remain supportive of activity, with a provision for a rise of 6.5% in core government spending next year. The government is also targeting a further rise in housing output.

House building activity is rising from low levels, with 25,000 units expected to be built in 2022 vis-à-vis 20,500 in the years 2019-2021. However, the market remains characterised by an acute shortage of housing from a decade of low levels of new supply and strong population growth. Further increases in housing output, though, are anticipated in 2023-24.

In their recent forecast updates, the Central Bank projected GDP growth of over 5% in both 2023 and 2024, while the Dept. of Finance sees GDP increasing by 4.7% in 2023 and a more modest 3.5% in 2024-25. The ESRI sees GDP rising by 4.4% next year. Growth in modified domestic demand, though, is forecast to slow more sharply next year to a circa 1.5-2.5% range on the back of higher inflation, rising interest rates and weaker investment, before recovering to around 3.3% in 2024.

Meanwhile, in terms of inflation, the HICP rate stood at 8.5% in September, down from a recent high of 9.6% in July. Irish inflation will continue to mirror the trend elsewhere. It is likely to remain relatively high for much of 2023, before declining sharply in 2024. However, continued upward pressure on European gas prices next year, though, could delay this expected fall in inflation.

Oliver Mangan
Chief Economist, AIB
The Northern Ireland Perspective

The NI Family Business Forum was established by Harbinson Mulholland six years ago. In that time, it has been supported by academic partner Ulster University Business School working together to build a solid reputation and track record of helping family firms maximise financial performance while balancing commercial challenges and family obligations. It has been our privilege to develop connections with the National Centre for Family Business at DCU, evidenced by our input in the first all-island study of family businesses surviving a crisis and we are delighted to give the Northern Irish perspective here.

The Northern Ireland Irish Family Business sector is the heartbeat of the Northern Irish economy and represents something in the region of 328,000 jobs and a 57.2% share of all private sector employment (IFB, 2021). As with any economic and contextual challenges, the resilience evident in NI Family Firms is a continued source of encouragement – even despite significant global and more regional risks to growth (UUEPC, 2022). The impact of geopolitical fragility continues to be felt in the form of higher energy prices for industry as well as continued supply chain uncertainty. Closer to home, Family Firms continue to report challenges around access to talent, with particular pressure on certain sectors as the tightening of the labour market continues apace.

When you dive under the numbers, however, the stories of resilience in action are what continues to provide hope and optimism as we establish a post-pandemic ‘new’ normal. Whilst a lot of focus in our economy has been in high growth sectors such as fintech and professional service firms, at the NiFB forum events, we have seen stories of resilience, innovation, and adaptation right across all sectors and sizes.

The incredible stories of resilience found in the case studies in this report, we see repeated in the North as well. Family Firms tend to demonstrate high levels of embeddedness (Baù et al. 2019), which means that such firms exhibit strong systems of interpersonal relationships and broader social structures, rooted to a particular geographical context. Such embeddedness is a critical driver for resilience as it builds trust in employees and the communities that our family firms serve. As family firms continue to navigate the new normal, it is imperative that they fervently guard the commitment that may have been strengthened during the pandemic and seek to build on this to maintain competitive advantage moving forward.

The months ahead will continue to be challenging for family businesses. The recent energy price cap will have come as a necessary relief for businesses and the ambition towards growth is to be commended, however significant inflationary pressures remain. Family Businesses in Northern Ireland would benefit from guarantees around the longevity of the non-domestic price cap. Whilst the 6-month window will provide short term relief, a further extension to this would allow for more long-term planning and investment.

It is imperative that we seek resolution to the barriers that disrupt connections across the island of Ireland, North and South, as well as trade across the Irish Sea. Additionally, we press for further development of initiatives that strengthen cross-border trade, human capital flow and knowledge exchange. At the Northern Ireland Family Business Forum, we are proud of the connection we have with the National Centre for Family Business and commend the findings in this report.

Dr Ian Smyth
Ulster University Business School
Co Chairs of the NI Family Business Forum

Darren McDowell
Harbinson Mulholland
Executive Summary

What makes some businesses more resilient, or more successful at embracing change and uncertainty, than their competitors? In this report, we address this question by detailing how five leading Irish family businesses have survived the economic turbulence of recent years. From Brexit to Covid-19 and beyond, each of our five family businesses has shared stories of resilience which yield key insights that will be of benefit to leaders of family and non-family businesses alike. Overall, we found that resilience and the capacity to regenerate one’s business are key ingredients of “continuity success” – meaning the survival and growth, across multiple generations, of an organisation or entity – which is widely recognised as the key distinguishing feature of success in a family business context.

There are different definitions and theories of business resilience and regeneration, but the consensus is that resilient businesses are strategically responsive, recover more quickly, and/or adopt timely and innovative ways to do business under stressful conditions, much like our case families attest to throughout this report. Resilience may also mean not bowing to change too hastily, being prepared to hold steadfast when the situation requires it, or holding unshakable belief in one’s own product or service, in order to continue a tradition of success. For employees of a business, business resilience may equally refer to the ability to bounce back, survive and even thrive under uncertainty and duress, and very often we see that family businesses that survive multiple generations draw strength, perseverance and energy from the commitment of their employees (both family and non-family).

Although each of their stories is unique, our five Irish family businesses share common ground in their approach and strategic planning. Those that have survived and even thrived under adversity were those that engaged with transformative leadership, held steadfast to their family business legacy, embraced a corporate mindset, generated innovative solutions, or dug deep and focused on the time-honoured values of placing reliability in service front and centre.

As Ireland looks towards 2030 and beyond, we must address challenges like transitioning to a low-carbon economy, embracing the digital transformation, and absorbing external shocks such as Brexit, Covid-19, and higher operational costs resulting from Russia’s invasion of Ukraine. Understanding how family firms (such as our five thriving case study families) continue to make smart investments and remain both internationally competitive and locally buoyant will assist researchers in advising Irish family and non-family businesses now and well into the future. In short, their shared wisdom will no doubt be of benefit in helping other family businesses continue to grow their businesses and the economy, and to create the sorts of strong local economies and sustainable communities that make them the backbone of the Irish economy.

Dr Eric Clinton, Director
DCU National Centre for Family Business
Introduction

Family businesses – enterprises owned and managed by two or more members of the same family – account for over 30% of S&P 500 and Fortune 500 companies, making them the dominant form of organisation worldwide. Family businesses form the bedrock of the Irish and Northern Irish economies also. In the Republic of Ireland, family businesses account for more than 64% of all firms, and they employ more than 938,000 people, representing 37% of employed people nationally (NCFB Report, 2020). In Northern Ireland, family businesses account for over 70% of all firms, employing 284,000 people.

However, the competitive landscape for businesses in Ireland and elsewhere – even before the onset of the pandemic – has been growing increasingly challenging. Research has found, for example, that one in three firms are delisted within five years of appearing on the stock market, a rate that is six times higher than 40 years ago. For Ireland’s economy, which has come to rely heavily on corporation tax receipts that flow from multinational firms – to a degree which has concerned many observers, including the Irish Fiscal Advisory Council – the need to cultivate a more dynamic and resilient indigenous entrepreneurship sector is becoming increasingly recognised as a policy priority. Given their prominence in the Irish economy, family businesses have a central role to play in policy ambitions like this one.

Family businesses are often regarded as being wired for resilience, thanks to their uniquely large endowments of ‘survival capital’. While family firms typically exhibit a strong growth orientation, their financial structure generally reflects a concern for their long term economic security, as illustrated by lower-than-average debt-to-EBITDA (earnings before interest, taxes, depreciation and amortisation) ratios, which puts them in an especially strong position to withstand financial downturns and economic crises (Credit Suisse, 2018). During the 2008-2009 financial crisis, research from the United Kingdom (UK) showed that UK family businesses had greater success in accessing finance than non-family businesses did during the recession, with 76% of family businesses that applied for external funding successful in obtaining it, compared with 68% of non-family businesses (SMEs) (Institute for Family Business, 2010). Research consistently demonstrates, moreover, that family businesses outperform their non-family counterparts across a variety of key performance metrics, including turnover, innovation and international development (Credit Suisse, 2018).

In this report, we explore some of the characteristics and strategies underpinning high levels of resilience in family firms. We draw these insights from five of Ireland’s most prominent family firms – Barry Group, McKeon Group, Farmhand, Dooley’s Hotel, and Celtic Ross Hotel – all of which have managed to survive not only the severe turbulence of recent years, but the periodic episodes of turbulence that have challenged previous generations of business leaders across the decades, and sometimes centuries, prior. The insights that emerge carry relevance for leaders of family and non-family businesses alike, and – with little sign that the market turbulence of the last few years is abating – are likely to retain that relevance in the years ahead.
Methodology

Definition of family business

The sample of five Irish family businesses met the following three criteria:

1. Members of one family, or a small number of related families, control the business:
   - by holding more than 50% of voting shares, and/or
   - by supplying a significant proportion of the senior management, and
   - the owners and/or senior managers perceive the business to be a family business.

2. The company is multigenerational.

3. The family has aspirations to remain as a family business into the future.

Data Collection

Members of the top management team, board of directors and ownership group of each of our five featured businesses were interviewed for this study. To enable us to observe how the circumstances of each business were evolving, and how business strategies were evolving in response, interviews were performed at yearly intervals over a period of three years (2020-2022). See summary of our family businesses and their respective sectors on the next page.
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<th>BUSINESS NAME</th>
<th>#GEN</th>
<th>SECTOR</th>
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<td>McKeon Group</td>
<td>3rd</td>
<td>Construction</td>
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<td>Agri/Manufacturing</td>
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<td>Celtic Ross Hotel</td>
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<td>Hospitality/Leisure</td>
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Case Studies

The case studies that follow highlight how family businesses drew on a resilient mindset and commitment to the future in their approach to holding out against the Covid-19 pandemic. Family businesses, by their very definition, have stood the test of time by overcoming significant obstacles and uncertainties to evolve with market demands, and the pandemic is proving no different. Although a unique event in our lifetimes, the pandemic is but one challenge across the multigenerational timeline over which family businesses exist.

The five family firms that we studied distinguished themselves by using the pandemic to take stock, reflect and conceive of key insights in order to guide overarching strategic regeneration. We will show how they engaged with transformative leadership, held steadfast to their family business legacy, embraced a corporate mindset, generated innovative solutions, or dug deep and focused on the time-honoured values of placing reliability in service front and centre. Rather than being generally risk-averse, our family businesses did not remain stagnant or overly conservative during the pandemic and beyond; they exhibited a rich defiance through their continuous innovative drive.
Case 1 | Barry Group

Key insight: “Transformative leadership as regenerative power”

**Key information**

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<td>Number of employees post-Covid-19:</td>
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<td>Costcutter, Carry Out, Quik Pick, Urban Sips, Freezi Licks</td>
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Our aspiration is to be ‘great’ and to get there we need to be honest with ourselves...where our team is and use what I call ‘The Honesty Attack’...[which involves] training your managers and leaders to coach others and to be real with themselves and others and create an environment where people can identify their strengths and their blind spots, and look at themselves in groups.... We are in a phase of growth, and to manage this growth people will need to take ‘The Big Step Up’, it requires buy-in from everyone, especially our leaders and managers.

Jim Barry,
Managing Director, Barry Group

Company background and family involvement

Founded as a local business in 1955 by James A Barry, Barry Group is a leading wholesale distribution business. A third-generation family business, the group trades nationally and internationally, servicing a network of more than 1,500 retail customers. Its franchise customer base includes household favourites such as the brands Costcutter, Carry Out off licence, and sub brands Freezi Licks, Urban Sips and Quick Pick retail groups, as well as a considerable number of independent retailers based nationally or abroad. They take pride in providing a competitive retail service to each and every customer.

Priding themselves on a family-run professionally led ethos, Barry Group is a third-generation family business. Early on its setup was local, with James A Barry and his wife Pauline working together – James leading and Pauline doing the bookkeeping – while raising their children during the formative years. Their father Jim Barry, son of founder James A. Barry is now the current Managing Director and believes that well-balanced leadership is key to a successful company. He has shown time and time again that a medium and soon to be medium/large company size continues to afford advantageous insights when it comes to anticipating customer needs and objectives. Barry Group’s flexibility allows them to personally connect with customers and understand their needs and sometimes woes better than larger competitors. Nowadays two granddaughters, Amy and Holly Barry, hold top management roles as Organisational Development Specialist and Brand Strategist. Jim is very pleased to see both Amy and Holly enter the business to carry on tradition. What’s more, some long-standing non-family staff are very much seen as part of their family too.

Three generations of the Barry Family. Granddaughters with top management roles, Amy (L) and Holly Barry (R), together with their late Grandfather and Barry Group Founder James A Barry (L), and their father and current Managing Director Jim Barry (R).
Key insight: Transformative leadership as regenerative power

Our interviewees all see themselves as a leading player in retail wholesale distribution business nationally and with the potential to grow their market share substantially over the next 5 years. Barry Group is in the process of adapting its leadership and management strategy to accommodate real and projected business growth and regenerative capacity. The business is experiencing planned, and unanticipated business growth necessitated by the Covid-19 pandemic. The Barry family plan to grow through increased diversification in the goods they provide, while raising their customer service profile to demarcate themselves as an exceptional service provider. To achieve these goals, the group has set down cyclical strategic plans, and the present plan aims to engage in a programme of transformative leadership – that is, to enhance and build a top management team (TMT) that delivers on their business’s diversification and customer service growth agenda.

The result is seeing the last 3 years requiring the business to clearly define how their leaders and managers are expected to behave. Focusing on transforming leadership within their business aims to bring out the best from others, allowing the business to successfully absorb growth and engender the adaptive mindset required for the contemporary economic climate. In the middle of transforming its leadership style and culture from TMT and down the line, the Barry family’s experience shows being absolutely clear on their chosen style by documenting policies on how they want people to behave is very important.

For Managing Director Jim Barry, creating an environment where employees can look at themselves to identify their strengths and their blind spots, and to see that in light of how they behave in the group, is critical. Daughter Amy is managerially responsible for implementing Barry Group’s present strategic plan to transform its leadership culture – for example, by training managers and leaders to coach others, to encourage them to be real with themselves, and through enabling them to engage with what Jim Barry calls ‘the honesty attack’. The company’s ethos is that 9 times out of 10, an employee who raises an issue they think should be voiced will be correct, and they will be doing right by themselves and the business. Amy is employed to drive this task forward as an in-house management employee. Moreover, she is family and brings a considerable knowledge of the company to bear, in addition to knowing how to make herself ever available while keeping up this vital project’s momentum over time. It’s a deep conversation with Amy every month for managers and key leaders, and staff find this process much more advantageous than a 1-day workshop from an outside consultant. A major advantage is that Amy can work across all departments full-time, thereby ensuring a consistency in their approach.

Resilience and the pandemic

Covid-19 brought in its wake a considerable challenge for Barry Group. Implementing government directives via emergency protocols, split shifts, and even running at busy Christmas levels for weeks on end was tough. That said, food and drink retail is essential, and Barry Group’s priority was to keep its operation running smoothly while minimising risk to staff and customers. Staff dedication shone through and the company suffered a relatively low turnover rate, with most, if not all, employees adapting overnight to new rosters and more complex ways of doing their jobs. It is not surprising that its employees’ capabilities are part of its strategic plan for growth and, according to Managing Director Jim Barry, “a unique selling point” worth the dedicated time and financial investment.

In a post-pandemic economic climate, there are yet further unpredictable geopolitical and economic events on the horizon. With ever more disruptive geopolitical and economic events predicted into the future, family businesses will increasingly need transformational leaders (STEP Project Global Consortium, 2022), and Barry Group clearly has this new leadership requirement fully within its sights. The Barry family understand that progressive and transformative leadership will be critical in seeing their business through the predicted disruption. By investing in the transformation of their leadership they recognise that, when twinned with excellence in service and relationship building, their brand will stay one step ahead of their competitors.
### Case 2 | McKeon Group

**Key insight:**

“Legacy as a vehicle for brand continuity”

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Company background and family involvement

Established in 1950 by Tom McKeon, it is difficult to believe that third-generation and leading market player McKeon Group started out as just one man and his van providing construction and maintenance services. Innovative from the outset, his entrepreneurial drive saw him through the early days from making bricks to designing his own hand tools and eventually establishing the solid foundation on which his children could take over. In 1979 his son, Tomás Mac Eoin and his two brothers Sean and Gay, registered McKeon Construction as a limited company. Tomás then led the company to grow into a multi-million euro construction endeavour, much work coming from contracting in education, residential and commercial sectors.

Rebranding to McKeon Group in 2011, today McKeon Group is managed by the founder’s grandchildren, brother and sister team Managing Director Tomás Óg Mac Eoin and Deputy Managing Director Clíona Molloy. With another sibling shareholder and their Mother around to support when needed, it is a fully operational family business. Operating divisionally within the group: construction and fit out, mechanical and electrical engineering, and 360Works, each division has their own respective market to perform in, who work together on larger group projects. Hereworks, a subsidiary of McKeon group, is also gaining ground in the Smart Building - Master Systems Integrator MSI, and Audio Visual AV technology space. To this end, singularly or combined, McKeon Group continues to secure high end contracts, especially within the public sector. Clients include HSE, DCU, OPW, DKIT, AIB, Google & Mastercard.
DCU Future Tech Building currently under construction

Key insight: Legacy as a vehicle for brand continuity

McKeon Group has unleashed their growing ambition by securing a contract for a keystone public sector project; our own DCU Future Tech Building. Commencing build in May 2022, the planned DCU building is located by the main entrance on Collins Avenue. Known as the Future Tech building, it is to be a 10,000m² facility and a keystone project to further advance DCU’s international reputation for excellence in science, computing and engineering disciplines. It will have the capacity to accommodate over 3,000 additional STEM students on the university’s Glasnevin campus and house DCU’s entire School of Health and Human Performance. Drawing on their extensive portfolio of expertise in both construction and technology integration, this build presents an opportunity to showcase how their complementary strands of excellence can work together for a major legacy build. The build will be delivered alongside their Joint Venture Partner Walls Construction. Moreover, the project will make demands of their sibling powerhouse management team, Cliona and Tomás who are expressly determined to build on their father’s legacy and commitment to his clients. Indeed, it is no surprise that McKeon Group is Ireland’s No.1 Construction, Fit Out and Building Services Contractor.

Two reputational legacy strategies stand out for McKeon Group; landmark builds and their reputation as a good employer. No stranger to working with DCU, McKeon Group recently completed the restoration of DCU’s St Patrick’s College Water Tower at the Drumcondra campus. Unveiled in August 2022, the beautiful restoration is a celebrated portfolio item. Working on an iconic structure that is over 200 years old is a landmark achievement for any construction business, but to then commence construction on a major site for a new building, the DCU Future Tech building, means they will cement their brand reputation in Dublin locally and nationally for years to come.
Building on brand legacy during the pandemic

Celebrating 70 years of being in business was difficult for McKeon Group as it co-occurred with Covid-19 and government lockdowns during the prolonged pandemic that followed. The interventions they would have to take were drastic and impossible to have foreseen. Inevitable closures of building sites and layoffs were a painful reminder of how important resilience can be for any business regardless of size and attainment to date.

Nonetheless, with the death of Tomás Mac Eoin Snr, it was up to the next generation to craft a new path to continue the group’s legacy and values. Clíona and Tomás, alongside their Senior Leadership Team, drew from past experience and approached the problem with a resilient mindset. They were determined to adapt to the circumstances by finding new ways to continue their predecessors’, and now their own, unique legacy. Focussing this time on their reputation as a fair employer and pillar of the community, they partnered with Ashbourne and District Lions Club to sponsor and co-host the Ashbourne Heroes initiative. Participating in a judges’ panel to select local people to receive special awards of recognition nominated by the community, McKeon Group also sponsored winning prize vouchers. During Covid-19, the firm was unable to employ people from the community to work, and with a hold on all keystone projects, the company found a way to continue to financially reward people from the community. By engaging with local charities and community groups, McKeon Group continued its legacy of supporting the community by celebrating people who had themselves shown resilience and post-traumatic growth in times of great adversity. Their contributions resulted in giving €70k back to the community in 2021.

Their reputation as a good and fair employer in the construction sector carried through during the darkest days of the pandemic. Keeping a tight hold of their inherited community reputation via sponsorship initiatives, adapting to onsite regulations sometimes on a daily basis, and working hard to re-employ those who had suffered layoffs, they focused on their legacy to survive and are now on the threshold of thriving once more.
Case 3 | Farmhand

Key insight: “Perpetual innovation as resilience”

Key information

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Company background and family involvement

Founded in 1962, Farmhand provides farmers and contractors nationwide with agricultural equipment and machinery. Originally a 50/50 partnership between Denis Scrivener and Bernard Krone, the company had only three employees and operated out of a rented office in Merrion Square and a yard in Lucan, Dublin. As the first importer of Quicke and Amazone front loaders and fertiliser spreaders, the company made headway as a market leader from the outset.

By 1972, Farmhand had grown to employ 20 people and moved to a purpose-built facility in Castleknock, where it remained until 2008. In 1975 and then in 1993, Denis’ son, John Scrivener, bought out Bernard Krone and his family shares and Farmhand became a Scrivener-family-owned business. With four divisions (machinery, service, parts, and fast parts with webshop), Farmhand employs 52 staff members in Damastown, Dublin 15. Operating from a state-of-the-art workshop and a parts warehouse, three of John Scrivener’s children, including Managing Director Paul Scrivener, became directors within the company between 2015 and 2017. Sinead Scrivener is now Parts Director, while her brother Stephen has taken on the role of Sales and Marketing Director. Working together to continue their growth and expansion, this third-generation sibling team has overseen a new building extension, bringing their facility to more than 7 acres and maintaining their market leader position nationwide.

Key insight: Perpetual innovation as resilience

For more than 60 years, Farmhand’s promise to Ireland’s farmers and contractors has been to provide them with high-performing, state-of-the-art agricultural equipment at a fair price and with a follow-up service to match. Offering unbeatable and profitable innovation and service to the Irish market when the time is right was and remains the company’s core strategic focus. No stranger to having a resilient mindset, founder Denis Scrivener grew up in the mid-20th century in former Czechoslovakia while World War II raged on. Between family separations and adjusting to being an immigrant in Ireland when immigrants were few and far between, he and his son John were determined to make the business indispensable. That way, they could make a home in Ireland by preparing for the future in order to better survive any bad times as well as the good.
Their track record for ever-ready introductions to key innovation began in 1963, when Farmhand became the first importer of Quicke farming equipment outside Scandinavia. Quicke was the world’s first drive-in front loader for tractors, winning a Leyland Challenge Cup due to its short turnaround times to attach and detach. Irish farmers could now more easily handle hay and manure, thereby introducing efficiencies, lowering labour costs and increasing productivity. Farmhand next imported Amazone tillage machinery, another innovation to aid fertiliser spread. Such was Farmhand’s selling success that, 2 years later, it moved premises to Phibsborough, Dublin in order to directly store machinery and equipment for distribution straight from Dublin Port. More recently, it yet again introduced market leaders: the Krone BiG M and the BiG X 650, a unique self-propelling mower and forage harvester, respectively. Subsequently undergoing several expansions and growing a new market segment, this time focused on parts, Farmhand now sources parts for most tractors and agricultural machinery in use on the island of Ireland. Emphasising after-sales service managed by its own technically trained staff, it is growing in new market segments and is prepared to also service what it sells.

Whatever the economic climate, be it the recession in the 1980s, the global financial crisis of the 2000s, or even the Covid-19 pandemic, Farmhand makes it its business to be the constant face of innovation, greeting farmers at every touchpoint in the customer journey. After all, food production and security has always been an essential economic activity on the island of Ireland, regardless of the economic situation. This adept realisation and the company’s strategy of perpetual innovation, whether it be at introduction, sale, service, or after-sales delivery, enables Farmhand to not only survive in perpetuity but continually go from strength to strength.

The one big truth is that in our particular business, we are married to the land, our fortunes are completely tied to those of the farmers. And the thing about farmers is, they endure. They endure through war and famine, and extreme weather. You name it, they’ll stick to the land, because they have to, that’s what they are.... Our particular business is very, very stable for that reason.

John Scrivener, Chairman
Case 4 | **Dooley’s Hotel**

**Key insight:**
“Reliability and consistency as continuity success”

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Company background and family involvement

The name Dooley’s Hotel comes from the Dooley sisters, Mol and Kate, who owned the hotel at the turn of the 20th century. Now owned and managed by June Darrer and her daughters Tina and Margaret, its ownership came to the Darrer family via Rita Nolan, June’s mother and Tina and Margaret’s grandmother. Purchasing the original building in 1947, Rita was both owner and manager, a separated single mum leading a business at a time when women were said to live in a man’s world.

At first the hotel had only eight bedrooms, a range that burned turf, and eight tea cups – without handles! June remembers that the early building survived recurrent flooding, as well as her mum, Rita, finding ways to manage the breakfast sitting when bacon and tea were rationed. With Rita’s accounting abilities, steadfastness and wits, Dooley’s Hotel was determined to pursue its business ambition. By the mid-1960s, the business grew organically to a well-known establishment with 34 bedrooms. Later, June Darrer joined her mother to manage the hotel, having trained at the Dublin College of Catering in Cathal Brugha Street, Dublin. Observing the dedication and constant presence of their mother and grandmother every breakfast, Sunday lunch and weekend, no matter what the season, the Darrer daughters knew their turn was just around the corner.

As children and teens, Margaret and Tina helped set and clear tables, worked reception and managed guests, culminating in Tina joining her mother at the helm in 1994. Margaret followed soon after completing her studies in Hotel Management and gaining experience working at a Ritz-Carlton in the United States. Margaret’s current role is mostly to attend to human resources, and Tina’s is to handle group sales and marketing. Their experience, training and intergenerational knowledge of hospitality have contributed to their reputation in Waterford Hotel circles as the ever-successful Darrer Ladies, a unique third-generation family hotel management team.

“

We both worked seven days and a double shift. We were short chefs and could not get them. Mags worked the starter section in the kitchen, I helped with the preparation and was front-of-house for service. So it was tough. But you know what? You just get on with it... you just roll up your sleeves and you get on with it. That is what a family business means.”

Tina Darrer, 3rd Generation Manager
Key insight: Reliability and consistency as continuity success

Even the Darrer Ladies admit that a Waterford location has naturally played a role in their hotel’s success. Waterford City is teeming with historical attractions and leisure activities, including Waterford Crystal and the natural beauty of the county. Early on, the hotel benefited greatly from relationships with tour operators who loyally provided business to Dooley’s reliable operation over the years. During the 1990s, Dooley’s Hotel began to look at the prospect of growing its business further. With the family’s confidence also came a concern: that they would become increasingly unable to competitively capitalise on the regional growth in the industry compared with other or newer hotels, some of which had achieved a four-star rating. With only 34 rooms and the capacity to take only one coach booking per night, the business could soon begin to flounder, regardless of how wonderful the guest experience or how loyal the tour operators were. There were oodles of competitors, including the Tower Hotel and Ardree Hotel. Competitors could increasingly accommodate a whole bus tour. What could the family do? This became a question of whether they could increase their capacity to do what they already did well, but on a larger scale.

So, in 1994, the family and the Waterford Corporation co-purchased the Granary building adjacent to the hotel. This purchase was not made without much consideration and trepidation. Securing financial endorsement from a provider was key; Tina Darrer noted that “with my Father’s way, if you didn’t have the money, you couldn’t afford it”, and the bank’s assessment initially mirrored this sentiment. But increasingly, the business’s scaling-up ambition was a necessity; the competition was fast becoming too great and the hotel had to move fast. Embarking on the conservative gamble to continue to do what they did best in being consistent and reliable hospitality professionals, the family’s strategy emerged to simply continue doing this, but on a larger scale. Opening the extension with 113 bedrooms in the summer of 1997, and a new business suite named in honour of their grandmother, Rita Nolan, in 1998, they pulled it off. Scaling up their reliable, consistent and warm reputation with a business to match, their continuity was assured as their profitable business grew. They could now cater for business conferences and host up to 220 delegates. Looking back, the family can testify to how important it was to believe in their market offering, look at what made their efforts possible and how they could do so again. In the hotel industry, where novelty can often be a critical differentiator among intense competition, their elegant business growth formula – focusing on what they do well but for a larger number of customers – was key. Indeed, reflecting on their success, the Darrer Ladies believe they may not have survived were it not for realising their service talent and embarking on scaling up their business.

Dooley’s Hotel at the beginning, and now in the present day.
Case 5 | Celtic Ross Hotel

Key insight: “Embracing a corporate mindset”

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Company background and family involvement

Celtic Ross Hotel, an iconic four-star West Cork hotel, was established in 1997 and is owned by Rosscarbery native Gerry Wycherley. Gerry and his daughter Helen co-direct the running of the hotel with General Manager Neil Grant. While Helen’s siblings are joint shareholders in the business, only one other sibling took over another part of the business their father built: her sister Kate owns and manages the Celtic Cottages in Rosscarbery, a successful property business also set up by their parents in 1978. Recently celebrating 25 years in business, and gaining the prestigious four-star status, Celtic Ross Hotel readily attracts custom due to its high standards and auspicious location. Less than an hour from Cork Airport and adjacent to the Wild Atlantic Way, the site of some of Ireland’s most beautiful coastline, there is much to see around the hotel, from historic attractions to renowned forest walks and multi-award-winning cuisine recommended by Good Food Ireland and the AA Rosette Awards. Indeed, the hotel receives a regular stream of business from repeat customers who visit time and time again. The second-generation family-owned and -run hotel has positioned itself at the heart of its community via sponsorships, community involvement and supporting local food producers, and the family owners happily think about how the young grandchildren may follow in their footsteps.

Key insight: Embracing a corporate mindset

Since opening, the Celtic Ross Hotel has had its challenges to overcome, ranging from financial crises to ash clouds, global pandemics and torrential weather. A labour of love and family-led heavy lifting did not prevent having to involve the bank in discussions in the early days. Heaving from a complex beginning, daughter Helen embarked on establishing herself as a chartered accountant and, in 2007, finally joined the family business. She has a strong corporate skill set when it comes to managing the financial aspects of the business, but recognises the importance of not being too attached to it, as being able to stand back and strategically examine the business is as important as leading from within. Over the years, her father, Gerry, has reflected on his learning that “the only constant in the hotel industry is change.” Therefore, it is important to bring on board people who are talented or knowledgeable in the hotel industry and following its trends. Not to be blind-sided, Helen has learned how important it is to employ people who are experts in the hotel industry. For example, when hiring chefs, Helen will always listen carefully to her General Manager, as the reputation if not the outright survival of a four-star hotel strongly relies on the quality of its menus and restaurant.

“The only constant in the hospitality industry is change.”

Gerry Wycherley, Founder
Covid-19 presented a whole new set of challenges, including lockdowns all but bringing tourism to a halt, especially during what are traditionally the busiest seasons. Perseverance won out in the end, as the family held on to their pride in being a local employer, and maintained employee and supplier relationships as best they could. Additionally, they often used the hotel as a means to support charities and help their community keep morale up. In the round, pulling together with moral support from the local community helped the family to ‘hold their fort’! Good governance is an important part of the business and looking to the future. Helen’s father is constantly proactive about succession planning across the business and engaging with the whole family. Her husband also joined the business in later years, and has brought his experience to bear by managing the property portfolio across the family business with an eye on financial performance. Engaging via some distance, and having a more corporate and bottom-line-focused mindset, have helped in the present and will no doubt set good foundations for the future.

Lessons from the Covid-19 pandemic from our hoteliers

During the pandemic, both hotels featured in our case studies had to effectively implement new operating plans and draw on limited resources. For example, they had to invest in stopgap measures to keep their businesses moving forward, be it Perspex and signage to protect staff and customers at the front desk, sourcing new suppliers or reorganising staff rotas to accommodate government advice and lockdowns. Building on these findings, the case study research in this report shows that Irish family businesses in hospitality had a deep understanding that they must continually adapt to the pandemic or perish. Both Dooley’s Hotel and Celtic Ross Hotel handled this pressure equally with objectivity and with the positive psychology of ‘heart over mind’. With no road map to guide them through an unprecedented economic shock, maintaining a long-term focus was difficult aside from entrenching themselves in mundane, day-to-day issues, but the experience acted as a resilience-building exercise in post-traumatic growth. That said, success is always about continuity beyond the current generation, and the day-to-day adjustments necessitated by the pandemic made survival imperative. Identifying growth opportunities, generating ideas relating to resources for pre-emptive actions, and maintaining a sustainable mindset from one moment to the next saw them through the worst. Maybe their survival is not so surprising. Continuing to create potential solutions to future obstacles by creating innovative operating solutions, services and processes, all while searching for new revenue streams in untapped markets, is family businesses’ bread and butter.

The Wycherley grandchildren celebrate Celtic Ross Hotel achieving four-star status in June 2022.
Key Findings and Recommendations

We’ve learned much about what makes family businesses across the island of Ireland uniquely resilient. Our case studies show how the family businesses in this report distinguished themselves during the Covid-19 pandemic by taking stock, reflecting and conceiving of key insights to guide their strategic regeneration. The Irish family businesses in this report engaged with transformative leadership, held steadfast to their family business legacy, embraced a corporate mindset, generated innovative solutions, or dug deep and focused on the time-honoured values of placing reliability in service front and centre to survive. Whether it be the pandemic, Brexit or emerging economic shocks brought to bear by the energy crisis, our case study families are resilience experts; they know how to expand into new markets and maintain morale.

Our Recommendations

1. Sustain entrepreneurial ambition
2. Measure your regenerative power
3. Introduce educational directives
4. Reward legacy and vision for succession

While our case studies found that survival often required decisions to be made quickly and in the moment, suspending a focus on the long term, each held to a key strategy to map their way forward. We have shared with you these five strategic key insights based on the families’ experiences and innovations in our case studies section. We encourage you to reflect upon these key insights when thinking about how to continue and grow your own family business and its ambition.

Sustaining entrepreneurial ambition in testing times

Rather than being risk-averse, as Irish family businesses are held to be, our family businesses rebelled against stagnation during the pandemic, exhibiting a rich defiance through their continuous innovative drive. Family businesses are inherently based on a foundation of entrepreneurial success; they have at some stage taken risks and made judgements about the business landscape that were superior to those of their peers. For this reason, all our case study families put educating their potential next-generation successors on how to take strategic and responsible risks front and centre. They implicitly recognised that the knowledge, learnings, resources, values and traditions that are passed through generations of a family fuel the intergenerational success of a family business. The key insights they shared demonstrated strategies that moved away from believing that negative consequences wouldn’t affect their business, and towards a belief that ‘we must face the business environment as it is’. Their maturity and intergenerational experience readily unlocked their innovation readiness or belief that they could hold out.
Not to be overlooked is the vital contribution that family businesses make to civic wealth creation in communities across the island of Ireland. Their role as central supporters and sponsors of regional development, particularly in rural areas, ensures an employment and community lifeline for many citizens, as well as providing an organic consumer base or simply morale to draw from even in tough times. Ultimately, keeping the spirit of entrepreneurship alive enables family businesses to address disruptive market and community forces like the Covid-19 pandemic. Strong family businesses express strong entrepreneurial tendencies whatever the economic climate, from maintaining the founders’ entrepreneurial spirit, empowering leaders at all levels of the business, and showing the next generation how to innovate and take intelligent risks, to drawing on the emotional value of owning a family business (aside from financial wealth) and valuing both business and family success goals equally.

Measuring regenerative power: How did our families weigh up?

The 2022 STEP Project Global Consortium Report analysed data from 2,439 family business leaders in 70 countries worldwide in 2021 and moderated round-table discussions with family CEOs and family business academics. It found that turning an inspiring vision into a practical reality consists of combining a sustained spirit of entrepreneurship, transgenerational resilience, and access to socioemotional wealth to generate conditions for unrivalled resilience in the face of economic disruption. Just as major managerial executives of large corporations address collapse risk, contagion risk (i.e., the risk that one problematic part of the business will infect other aspects of the business), and what’s known in the industry as ‘fat-tail risk’ (i.e., rare and large shocks such as pandemics, natural disasters, terrorism or political turmoil), many of our Irish family businesses instinctively demonstrate a capacity to achieve a similar feat in perpetuity. Indeed, some of our family businesses enjoyed boons during the pandemic, including growth in market share, profitability and return on equity.

Educational directives: Supporting family business continuity

The introduction of funded education initiatives for practical guidance and support for family businesses is becoming increasingly important. For some of our family businesses, co-ownership and co-directing was at times problematic, and for others the death of parents raised potential issues as well. Whether a family business is focused on negotiating a positive succession experience for the next generation to take charge, or has set sights on an exit strategy with subsequent family wealth transfer, all next-generation involvement requires a clear and documented framework to be in place for a smooth transition. Factors paramount to transition success are positive family communication, clear understanding of family/non-family employment roles, formalisation of the process, family consent and documented family corporate governance. Helping family businesses to reduce tensions and conflict in the family in order to promote greater cooperation, productivity, expansion and longevity is achievable once they have the know-how.

Rewarding legacy: Vision for succession

Investing in family succession means that the advantageous capabilities and long-term relationships that build competitive advantage remain in place in order to ensure greater business performance. Training may take several forms, but often availing of government support via collaboration between state-funded authorities and/or academic institutions in order to provide governance training and skills/talent development is seen as best practice. Promoting long-term thinking for succession, long-term benefits and future values is important to the economic success of Irish businesses, and the positive behaviours and attitudes resulting from long-standing family legacy can be leveraged for enduring economic success.
Succession planning can involve writing a family constitution, documenting a succession plan and stakeholder agreement, calling up a family council and holding family meetings to discuss the business as a priority (e.g., Craig, 2022; Coleman-Bailey, 2020). Moreover, appointing competent people to the TMT, whether from within the family or via outside recruitment, can work equally well.

Formalisation may be conceptualised as a five-step process:

1. Establish goals and objectives
2. Establish a decision-making process
3. Establish the succession plan
4. Create a business and owner estate plan
5. Create a transition plan.

Attract and retain nonfamily talent: Recruit top talent for marketing, information technology and finance, and engender a merit-based work environment where employee satisfaction is regularly measured and attended to (e.g., introduce cyclical surveys).

Appoint non-executive independent directors as advisors: Remember, a fresh perspective from industry-wide contacts and presence ensures a professional and objective viewpoint for non-family employees; you may decide to introduce profit-sharing schemes and cash bonuses.

Putting these footholds in place will help create socioemotional wealth: the emotional value the family derives from owning and managing the business. Socioemotional wealth is important for maintaining support for the business, engendering loyalty among family members, and securing financial development opportunities for family members. What’s more, it will help promote the family name and reputation as respectable in the community.

Managing employee strengths throughout the pandemic, such as banding together with competitors in times of crisis (e.g., Case 2: McKeon Group), nurtures hope and resilience while celebrating the psychological capacity to face down adversity and uncertainty (e.g., Case 4 and 5: Dooley’s Hotel and Celtic Ross Hotel). The Covid-19 pandemic forced all of our family businesses to engage in coping mechanisms and positive response strategies in the face of extreme environmental uncertainty. Instinctively, they often chose strategies that nurtured self-efficacy and gave sustenance to the belief that employees or business leaders had in their abilities relative to associated achievements or accomplishments (e.g., Case 1: Barry Group).

Brexit and beyond

Family firms across the Republic of Ireland and Northern Ireland are facing unprecedented shared economic and trading challenges. Following Britain’s exit from the EU, collaboration and trade between the two countries is increasingly threatened with disruption and loss of opportunity through misconception. Indeed, a recent report from a leading UK think tank concluded that an all-island economy does not exist; rather, the island presents two distinct economies (Gudgin, 2022). The reality is that a majority of family businesses across the island of Ireland rely on a shared, porous border, and find it next to impossible to completely unmake decades of interlinked trade and shared business interests. Providing coordinated policies and support for enterprises across
the island, as they cope stepwise with law reform as a consequence of the Northern Ireland Protocol debate and its effects, will be important for family businesses, and for other businesses with operational and consumer market dependencies similar to those between Ireland and the UK.

The sometimes disruptive, opportunistic, and human factors involved in family business prosperity in both the north and south of the island have much to reveal about how family businesses attract investment and cooperate regionally to protect existing jobs and support the creation of new jobs. Our five case studies provide actionable insights to better advance family businesses – including those that rely on the all-island economy.

Preparing for the energy crisis

At the time of writing, the war in Ukraine continues to escalate. The European economic area faces the biggest military action taken on the continent since World War II, with some Irish business leaders predicting that a sanctions-induced energy crisis will present a closing risk for 1 in 10 businesses nationwide (Coleman, 2022). With reliance on Russian gas reduced to 9% from in excess of 40%, energy bills are doubling or even trebling for businesses across Ireland. Businesses are worried they won’t be able to keep up with energy bills, especially in tandem with increased raw material costs for many as a consequence of Brexit.

The energy crisis is a fly in the ointment for SMEs according to European Commission President Ursula von der Leyen's EU State of the Union Address 2022, which outlines an intent to remove obstacles in order to better enable SMEs to do business across the EU. The EU recognises that inflation and uncertainty will weigh especially heavy on SMEs. Responding to the pending crises, the EU has asserted its awareness of the key role that indigenous SMEs play in job creation and stability within the shared economic area and beyond. The European Commission plans to revise the Late Payment Directive to help small businesses buttress their finances in order to maintain their contracts and their business relationships, thereby promoting a more stable and conducive business context. Moreover, the new Business in Europe: Framework for Income Taxation (BEFIT) aims to create a single set of tax rules for doing business in the EU. To sum up, the EU State of the Union Address 2022 asks: Do we have an enabling business environment? Do we have a workforce with the right skills? Do we have access to the raw materials our industry needs?

What family businesses need to grow and remain resilient and competitive:

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<td>3</td>
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The DCU NCFB research programme consistently finds a similar picture. We contend that family businesses are not only the heartbeat of and testament to a resilient all-island economy, but that they provide a nexus for understanding more about the dynamics that remain constant in the fragile political landscape within and across the borders in which an all-island economy operates.
Commentary

The importance of company culture during times of uncertainty

In general terms, company culture refers to 'the way things are done around here'. These unwritten rules are based on observable and non-observable characteristics of the workplace. Observable characteristics include what people wear, such as uniforms or the company dress code, as well as the physical layout and decor of the workplace. Other important observable characteristics are regular rituals and ceremonies, such as casual Fridays or employee awards. An observable factor of particular importance to family firms is the legends and stories that weave the narrative of the company. Non-observable characteristics of company culture include underlying shared assumptions and taken-for-granted beliefs, such as which company values are truly enacted and which are given only lip service, or which rules and policies are followed or neglected. Together, these observable and non-observable characteristics combine to shape the culture and govern the unique way employees behave in a company.

Most often, culture is spread when new employees learn 'how things are done here' by paying attention to how other employees make decisions and go about their day-to-day work. A critical aspect of company culture is that this is collectively determined and either reinforced through social praise, or punished through ostracism by colleagues. Due to its collective nature, company culture cannot be forced from the top down, regardless of how much top managers are loved or feared. Rather, it must be accepted and reinforced collectively by employees across the organisation.

On the one hand, a major strength of a positive company culture is its tendency to endure and persist, providing direction during times of uncertainty. On the other hand, a major challenge of company culture is that less effective cultures can be very resistant to change or improvement. This is one of the reasons practitioners and those familiar with culture change claim that real culture change is often a 3-year endeavour and requires much work to identify, establish and reinforce critical elements of culture until they become the natural way that employees think and behave.

Executives and business scholars alike have begun to pay increasing attention to company culture based on the impact it can have on firm performance. For instance, a study conducted by the NCFB demonstrated that during the Covid-19 pandemic, those companies that had already established a healthy culture of shared decision-making and employee empowerment had significantly more employees who were willing to help build and maintain the company’s image during the pandemic, especially when the company or its members were criticised by others.
Another study by DCU scholars also found that a culture defined by trust and optimism was particularly instrumental in helping SMEs navigate through uncertainty during the pandemic. Given the uniqueness of the people who comprise each company’s social fabric, company cultures come in many flavours, reflecting a vast array of company characteristics. Perhaps one of the most valuable aspects that a family business can establish is trust based on the decision-makers’ abilities, the employees’ integrity, and their genuine concern for one another. Trust is especially critical during times of uncertainty: it is necessary in order to get people from different backgrounds and beliefs to join together in pursuit of a common goal, and it is important in creating a flexible company that is able to learn from failure and continually improve.

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Conclusion

We saw how our five families’ courageous entrepreneurial spirit makes them an unstoppable success story despite adversity. The significant impact of the pandemic, combined with the effects of Brexit and the pending economic impact of the war in Ukraine means these businesses have and continue to overcome major shared economic and trading challenges. Exploring key insights detailing their long-term strategies for handling this uncertainty, contributes profoundly to our understanding of Irish family business resilience, their regenerative capacity and continuity success. Regardless of the disruptive forces encountered, they demonstrated their ability to survive and even thrive by engaging with transformative leadership, holding steadfast to their family business legacy, embracing a corporate mindset, perpetually generating innovative solutions, or digging deep to scale up their business, each putting financial and family growth potential equally at the heart of their business. Their shared resilience brought to bear strength, engendered perseverance, and ultimately resulted in recovery and continuity. Moreover, the economic and social wealth we saw them create means it will be important to implement enterprise policy initiatives to protect family businesses in order to make our economy and society ever more resilient.

Our research promises to better enable government policy and initiatives to support family firms to survive and thrive as the bedrock of economic life in their local areas where people live and work, thereby promoting prosperity for many. Our family businesses’ resilience and their capacity for regeneration and growth hold many lessons for family business leaders and academics alike. By communicating and promoting the productivity of indigenous enterprises, such as the family-owned businesses in this report, Ireland will be better positioned to tackle fundamental enterprise challenges over the coming decade and beyond. Thriving family businesses are vital for creating a strong all-island economy and sustainable communities across Ireland. Moving forward from the pandemic climate, a greater focus on the long-term performance of these businesses will be critical in helping to create the conditions necessary in order to enable businesses across all sectors of the economy to prosper and have the foresight to enact long-term strategies, thereby adapting to new drivers of growth and capitalising on new opportunities.

Other Resources: DCU NCFB Research Reports

Helpful NCFB reports:


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