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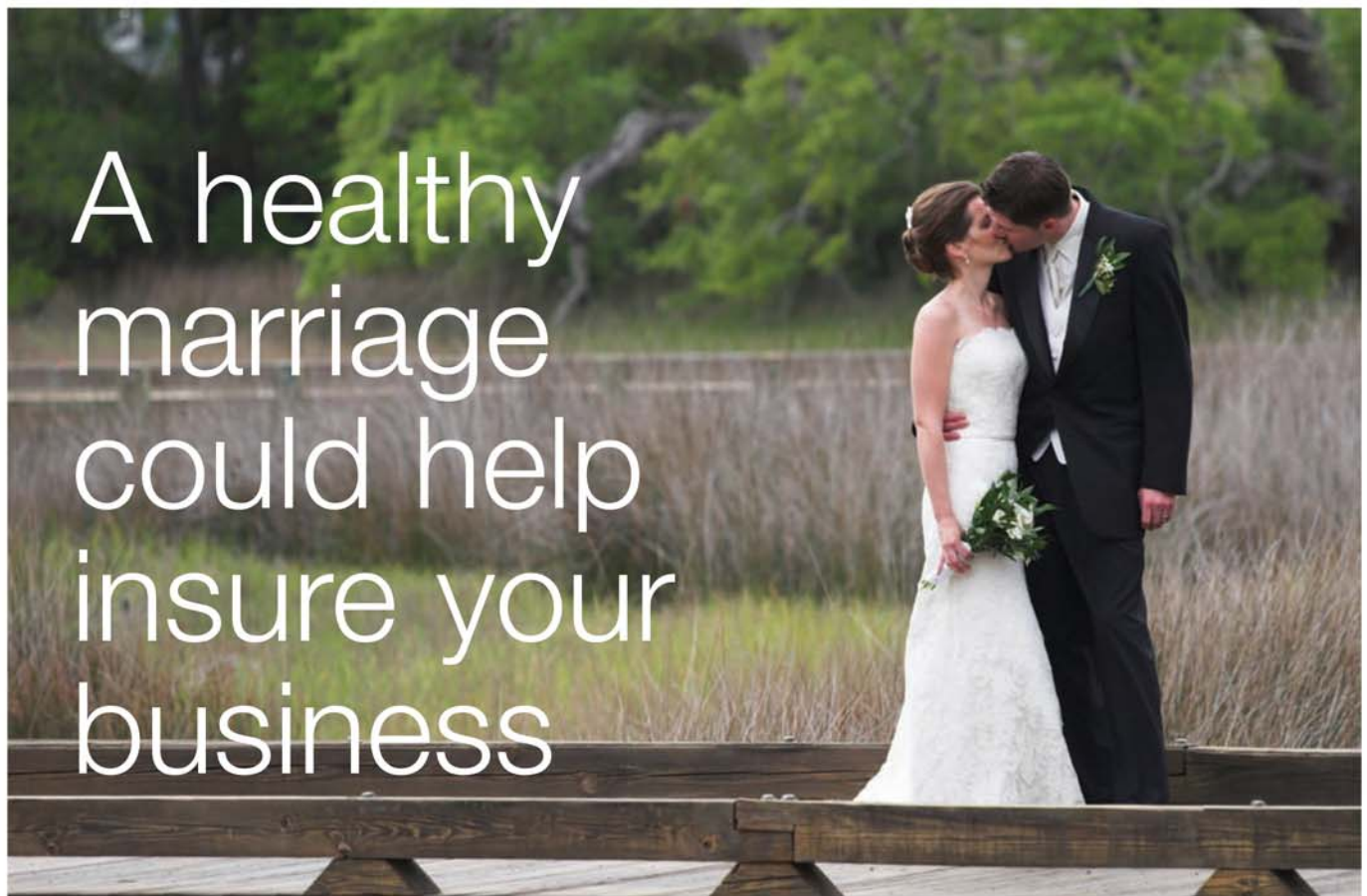
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A healthy marriage could help insure your business

Penny Raby is founder and director of Marriage Makeover, a service aimed at keeping couples together and saving them the financial and emotional pain of a divorce. She explains why it's worth keeping your marriage in check if you want to ensure your business thrives too.

Recent headlines about £5m divorce settlements have left some business owners feeling jittery – and understandably so.

Today's business owners have significant assets such as shares, equity, pensions, savings, etc. From a financial point of view, they've much more to lose than the average person if they're faced with a divorce.

Take the Miller and McFarlane cases. Law lords unanimously upheld a £5m award to Melissa Miller whose marriage to Alan Miller, a star fund manager, ended after less than three years. They dismissed Mr Miller's appeal.

Similarly, law lords allowed an appeal by Julia McFarlane, who had given up a promising career as a City solicitor during a long marriage to Ken McFarlane, a Deloitte tax partner, and reinstated an award to her of £250,000 per year with no time limit. The couple had already agreed to split their £3m assets equally.

I believe this is a sign that the UK is now probably the most generous jurisdiction for spouses seeking financial provision on divorce through the courts. If you run your own business in this country, that could mean danger.

I also urge business owners to be aware that the cost of a divorce can be more than just the final settlement.

The majority of owner-managed businesses rely on the good health, energy and drive of the head of that business. Divorce is a time-consuming process and that time could be spent on the business.

Business owners should also take into account how emotionally frustrating and distressing a divorce can be. It can eat away at your usual commitment to the business because your focus is understandably elsewhere.

I often find there's also a natural reluctance to put time and money into one's business if there's a chance that a divorcing

spouse could be a beneficiary. At the same, a divorce can put a strain on a business's cash flow because of the personal financial pressure on the partner being divorced.

But there are steps you can take to protect yourself and your business future if you're worried that a potential divorce could spell the end for your business.

Prevention

I'm a firm believer that prevention is better than cure, not just from a business and wealth protection point of view, but also for the sake of a happy, honest relationship.

Treat your marriage like you would your business. It might sound callous but it often works. If you could see a cash flow problem in your business a few months down the line, you'd do something about it. It should be the same in a marriage.

My advice is to anticipate and analyse any problems on the horizon and take action to fix them before it's too serious. I sometimes find that once people have considered divorce as an option, it's too late because they're in that mind-set. But taking measures before it gets to that stage can pay dividends.

In my experience, a business can be a major reason for relationship problems and

so I recommend an honest and open approach to ensure it doesn't become the reason for a split.

For example, long working hours - par for the course for many business owners - are a growing source of marital discord. I come across lots of spouses who suspect their partners are having affairs but they're actually at the office working hard to keep the business afloat.

I also meet spouses who are tempted to divorce because they've seen their partner's business's bottom line and they think they could be in for a windfall. They don't realise that the liquidity or cash flow might not be healthy and that the business is worth much less than they first thought.

The best way to avoid these scenarios is to make sure both parties are well-informed about family and business finances. Being honest and open and sharing information means there's always a very real picture of what's in place, rather than leaving things open to conjecture.

Another option is to consider pre-nuptial agreements. They're not legally binding in the UK but they do set out a position and they have increasing weight in the courts. They also prompt couples to consider their financial positions before it becomes a real issue.

It's bad enough losing your business or a spouse, but imagine losing both. The over-riding rule for protecting your current or potential wealth is to make sure your marriage is as healthy as your business. That's when you have a win-win situation.

It might be worth remembering the words of wisdom from the millionaire founder of Kwik-Fit, Sir Tom Farmer, who was recently asked to give his best piece of advice for becoming a business success. His answer was simple: find a good wife.

"I know it sounds romanticised but it's true, the most important person in my life has been my wife," he said.



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