

# Handing over the reins

**Succession planning is vitally important in family businesses. Computer systems can help the transition.**

**By Anselm Waterfield**



**Y**ou've spent your working life building up your transport business and now you are starting to think about handing over the management to other family members or selling to a third party. What can you do to ensure a smooth handover and a worry-free retirement?

Chances are you've had to make some tough decisions to get where you are today. Your years of experience are invaluable to your business; the depth

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of your knowledge providing you with a unique insight into the management. Many owners admit to having

a "gut-feel" or a "nose" for what's right or wrong and what decisions need to be taken.

The trouble is if you are to successfully leave your business this invaluable experience needs to be replaced. For the business to be capable of continuing a profitable performance without you, management needs a process that gives them relevant information to make decisions. This information must be consistent, require minimal involvement, be self-managing and maximise profitable outcomes.

**Predictability** Technology behaves in the same way for every single activity. It is predictable and logical, it links one process or action to another. In this way it becomes the mortar that holds the building blocks of your business together.

A transport management system will gather information and process it so that a manager can understand exactly what is going on without having to rely on "gut-feel." Not only do factual measures of the business performance allow for better-informed decision making but for a third party, it creates confidence in the business' ability to sustain the performance. A good system can enhance the value of the business because it is less reliant or dependant upon an individual for its success.

**Profitability** A good example is vehicle profitability. One experienced transport operator claims that after 40 years experience in the business he can "feel" if a vehicle is being cost-effectively maintained. His children working in the business just cannot match this "feel" but fortunately their Sapphire transport management system provides them with accurate and timely reports on individual vehicle profitability that takes the guesswork out of the equation. The same operator can now

use the information provided by the system to coach and mentor his staff.

Joanne Naughton of Naughton Transport Services, a family-owned transport company in Rosebud, Victoria, is a strong advocate of computer systems in family businesses.

"Like many companies we had grown up using a paper-based system, but once we replaced it with a Sapphire system we really got a very fast return on our investment. The greatest time saving has been in rating, invoicing, load planning and report generation. It has allowed us to achieve the total consolidation of all areas of our business into one simple and effective package. The system is very simple to use and very effective. Our operations staff still wonder how we ever coped without it!" she says.

As an owner you can put a system in place that reflects your experience of how the business should work. Captured for all time it is a valuable legacy for those that follow you and ensures that the business can be well informed and managed whilst you enjoy your retirement. ■

*Anselm Waterfield is the managing director of TransLogix. For more information on this article call 1800 001 104 or visit the Translogix website at [www.translogix.com.au](http://www.translogix.com.au)*

