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Newsletter Roddy Mooney McCarthy

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Newsletter

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Know Your Rights - Employee's

Are you clear on your Employee Rights?

In the following article you will find a brief overview of what your employee's rights are. Employers are responsible for ensuring all their employees receive certain basic employment rights. These rights are governed by detailed employment legislation. If you employ people or are setting up a business that will employ people you need to be familiar with your responsibilities and your employees' rights.

Definition of an employee

Employers engage persons on either contracts of service or contracts for services. Only a person engaged under a contract of service is an employee and therefore protected by the full range of employment legislation. An independent contractor or self-employed person will have a contract for services with the party for whom the work is being done. The distinction between a contract of service, and a contract for services can sometimes be unclear but the type of contract a person is engaged under can have serious implications for both employer and employee in matters such as employment protection legislation, taxation and social welfare.

Shop employees who work more than 6 hours and whose hours of work include 11.30am–2.30pm are entitled to a one-hour consecutive break which must occur during those hours.

Contracts and terms of employment

While the full contract of employment does not have to be in writing, you must give your employee certain terms and conditions of employment in writing within 2 months of starting employment. This information must include the full names of the employer and the employee and details of the job title, the pay, hours of work, notice requirements. While most terms and conditions of employment are stated in a written contract or a company handbook you should be aware that custom and practice in the workplace can also constitute a term of employment, for example, a mid-morning break of 10 minutes.

If you, as the employer, wish to change a term or condition of employment you must agree this change with your employee. This requirement for both the employer's and the employee's consent to changes in the terms of the contract is part of contract law.

Rates of pay

Most experienced adult workers are entitled to be paid a minimum wage of €9.25 per hour. There are however, some exceptions to this minimum wage, including people employed by close relatives, people aged under 18 and trainees or apprentices. You must also give your employees payslip's showing their wages and any deductions that have been made.

Hours of work, breaks and rest periods

- You are responsible for ensuring that your employees are given adequate rest. The Organisation of Working Time Act 1997 sets down the rules governing maximum working hours. The maximum average working week for many employees cannot exceed 48 hours. This does not mean that a working week can never exceed 48 hours, it is the average that is important. The average may be calculated in one of the following ways: Over 4 months for most employees
- Over 6 months for employees working in the security industry, hospitals, prisons, gas/electricity, airport/docks, agriculture and employees in businesses which have peak periods at certain times of the year such as tourism.
- over 12 months where there has been an agreement between the employer and the employees to this effect. The agreement between employer and employees must be approved by the Labour Court.

Breaks

The general rule on breaks is that you are entitled to a break of 15 minutes after a 4 ½ hour work period. If you work more than 6 hours you are entitled to a break of 30 minutes, which can include the first 15-minute break. There is no entitlement to be paid during these breaks and they are not considered part of working time.

Shop employees who work more than 6 hours and whose hours of work include 11.30am–2.30pm are entitled to a one-hour consecutive break which must occur during those hours.

Rest periods

The definition of a rest period is any time that is not working time. The rest periods set out in the Act are as follows:

- (a) You are entitled to 11 consecutive hours rest in any period of 24 hours. In addition you should get 24 consecutive hours rest in any period of 7 days and this should normally follow on from one of the 11-hour rest periods already mentioned, or
- (b) As an alternative your employer can give you two 24-hour rest periods in the week that follows one in which you did not get the entitlement described in (a) above. Unless your contract provides otherwise your 24-hour rest period referred to above should include a Sunday.

Leave

Nearly all employees, full-time, part-time, temporary or casual have annual leave and public holiday entitlements from the time they start work. Most employees are entitled to 4 weeks' paid annual leave per leave year. Part-time workers' entitlement is generally calculated as 8% of the hours worked subject to a maximum of 4 working weeks per leave year. Employers can determine the timing of annual leave, taking into consideration work and personal requirements; however you should consult your employee or their union in advance. Your employee can request pay for annual leave in advance. You are also obliged to allow employees to avail of statutory protective leave, such as maternity leave, paternity leave, health and safety leave, parental leave, adoptive leave, and carer's leave. There is specific legislation setting down the rules for each entitlement.

Tax and PRSI

You are responsible for deducting the correct amount of tax, PRSI, and Universal Social Charge from your employees' wages and remitting these

to Revenue using the PAYE system. You also pay employer's PRSI contributions. You must register as an employer with Revenue. The JobsPlus scheme is a employer incentive which encourages and rewards employers who employ jobseekers on the Live Register. It is designed to encourage employers and businesses to employ people who have been out of work for long periods. Eligible employers who recruit full-time employees on or after 1 July 2013 may apply for the incentive, which will operate on a pilot basis. The Department of Social Protection will pay the incentive to the employer monthly in arrears over a 2-year period. It will provide 2 levels of regular cash payments:

- A payment of €7,500 for each person recruited who has been unemployed for more than 12 but less than 24 months
- A payment of €10,000 for each person recruited who has been unemployed for more than 24 months

Employment records

As an employer you are required to keep certain records relating to your employees. This is to show that you are compliant with employment legislation. Workplace Relations Commission inspectors will require access to these records during an inspection. You can find a guide to how inspections are carried out (pdf) on workplacerelations.ie.

Health and safety in the workplace Under the Safety, Health and Welfare at Work Act 2005 employers have a duty to ensure employees' safety, health and welfare at work as far as is reasonably practicable. In order to prevent workplace injuries and ill health you are required, among other things, to:

- Provide and maintain a safe workplace, machinery and equipment
- Prevent risks from use of any article or substance and from exposure to physical agents, noise and vibration
- Prevent any improper conduct or behaviour likely to put the safety, health and welfare of employees at risk ("horseplay" and bullying at work come within these categories)

- Provide instruction and training to employees on health and safety
- Provide protective clothing and equipment to employees (at no cost to employees)
- Appoint a competent person as the organisation's Safety Officer

Every employer is required to carry out a risk assessment for the workplace which should identify any hazards in the workplace, assess the risks arising from such hazards and identify the steps to be taken to deal with any risks. You must also prepare a safety statement based on the risk assessment. The Health and Safety Authority provides tools to help you with these tasks. Employers are obliged to report any accident that results in an employee missing 3 consecutive days at work (not including the day of the accident) to the Health and Safety Authority.

Disciplinary procedures and dismissal

The Workplace Relations Commission has a Code of Practice: Grievance and Disciplinary Procedures which states that employers should have written grievance and disciplinary procedures. Disciplinary procedures set out the stages and process you should follow in relation to alleged shortcomings of an employee.

Generally, the procedures allow for informal warnings leading to written warnings and ultimately to dismissal. Under the Unfair Dismissals Acts you are required to give employees written notice of the procedures to be followed before dismissal. This must be done within 28 days of entering the contract of employment.

You should give employees copies of these at the start of their employment. If you are considering dismissal you must follow fair procedures. This includes giving your employee appropriate warnings, making them fully aware of the allegations against them and give them an opportunity to present their side. You must also give them the opportunity to be represented in any disciplinary procedures by, for example, a trade union official or other representative. If you do dismiss an employee you must be able to show that there were fair grounds for the dismissal and that fair procedures were followed.

Is a Modern PAYE System on the way?

Businesses across Ireland have broadly welcomed the impending introduction of real time reporting (RTR) for employers as part of efforts to modernise the PAYE system.

Smaller businesses however, have expressed concern about the administrative burden of the new regime, particularly those in areas with poor internet access.

Late last year the Revenue ran a consultation on the modernisation of the PAYE system, as announced in last October's budget. The proposed modernisation means that from January 1st 2019, the Revenue Commissioners intends that employers will report pay, tax and other deductions to Revenue, as well as details of any employees leaving the employment, at the same time as they run their payroll. Moreover, details of employees starting employment will be reported before their first pay day, while the modernisation will also involve eliminating the filling of P30, P35 and P45 forms.

The Revenue disclosed that it had

received 77 submissions to the process, representing a broad range of interests, including the Irish Tax Institute, SAP UK, McDonald's Restaurants, and Irish Life. There was also considerable number of small businesses responding, including Design by Nature, Rhu Glenn Country Club and Tipperary Glass.

Smaller employers

For larger employers the modernisation will be straightforward, but Revenue is looking at trying to accommodate smaller employers, some of whom might not use software at all, and might be doing a payroll manually at present. Ibec said that while most of its members would welcome the change, it is important that the system is "flexible", while professional services group PwC warned that the work required by employers to prepare for the implementation of RTR "should not be underestimated".

McDonald's questioned the need to have details of employees before they commence employment with the fast-food chain.

They hire a significant number of employees who may be new to residency in Ireland and may not have a PPS number and bank account available to notify Revenue before they start working with us. This could have an impact operationally on the stores who typically recruit a diverse workforce.

Irish Life on the other hand had another issue. "We may not be able to inform Revenue about new employees before their first pay date as we pay income in advance."

Administrative burden

Smaller businesses had specific concerns. One anonymous respondent questioned the current system with regards to the administrative burden of employing casual and infrequent part-time labour. For example with all the attendant paperwork there is no chance of a small business doing this if they are employing someone for one week during a year. They would feel it is much easier to pay them cash.

Mindfulness - Should we all be practicing?

Mindfulness teaches us to direct our attention to what is happening right here, right now, with an attitude of kindness towards ourselves and our experience. This "being with" ourselves is in contrast with more habitual states of mind in which we are often preoccupied with memories, fantasies, worries or planning. Yet, the capacity to be present is innate to each one of us and can be deliberately cultivated, alongside our capacity for kindness. Our minds are engaged in an ongoing process of assigning meaning to events as they unfold. We create stories about ourselves and others, the guy who cuts us off in traffic, the strange look on the face of the shop assistant, the tone used

by a co-worker, and so on. We're generally not even aware of this process and yet these stories we create in our own minds can end up being the greatest source of stress in our lives. Meditation has been practiced for thousands of years as a tool to help us move beyond our stress-inducing thoughts and into a more peaceful state of awareness anchored in the present moment.

When practiced regularly, meditation has been proven to increase positive emotion, emotional intelligence, and self-control while at the same time decreasing depression, anxiety, and stress.

Like exercise, meditation is simple, but

that doesn't mean it's easy. The secret is to develop a consistent practice.

Meditating for 5 minutes every day is better than meditating for 1 hour every month. Threefold mindfulness meditation is a technique that I've developed to make meditation easier to practice. Threefold mindfulness meditation only takes 15 minutes and it's broken down into three five-minute parts.

Part 1 - Calm the Mind

The mind is a lot like a jar of murky water. Constant agitation and movement of the jar causes the water to remain murky but when you can keep the jar still for long enough, the sediment will

settle to the bottom and you will have a jar of clear water. In order to be able to gain insight into the nature of your mind, you must learn to calm the mind before it becomes clear. The first 5 minutes of the meditation are dedicated to calming the mind by focusing on your breath. There is a powerful breathing technique used by free divers to lower their heart rate and reduce stress as they prepare to hold their breath to go underwater. The technique works like this: Inhale through your mouth for 2 seconds, then hold/pause for 2 seconds, then exhale over the course of 10 seconds, then hold/pause for 2 seconds, then repeat the whole process. (If you can't last 10 seconds on the exhale, try 6 or 8 seconds instead, then increase by 1 second on each round until you can last all 10 seconds on the inhale). Repeat this pattern for 5 minutes to calm your mind.

Part 2 - Observe

Meditation can help you to change the way you perceive and react in the moment that events unfold. This shift takes place when you go from "thinking" to simply "observing". By observing you learn to create a space or a gap between stimulus and response. Imagine you're driving and suddenly you get cut off (stimulus), or someone gives you a dirty look (stimulus). How do you react (response)? Habitual reactivity is when you react to an event without even having the time to decide how you want to react. There is no freedom in habitual reactivity. It's in the space/gap between what happens, and how you react to what happens, that you have the freedom to choose. Part 2 of the threefold mindfulness meditation technique is designed to train your mind to practice observing your senses, thoughts, and emotions.

The technique works like this: Practice observing your physical senses...You can scan your senses from the top of your body, down to the bottom. Ask yourself questions like "what does my head feel? What do my ears hear? What does my nose smell? What does my back feel like? What does it feel like to observe my body breathing. What do my legs feel? (are they going numb from sitting cross-legged? What do I feel in my feet? And so on. Then, move from senses to

thoughts. Imagine you are sitting in a field and you're observing the clouds passing by in the sky. Have you ever seen a misshapen cloud? No! There are no misshapen clouds. When we're observing, there is no right or wrong, there is just what is. Apply that to this meditative process of observing. Just observe your thoughts but don't judge them. Don't think there's something you're supposed to or not supposed to be thinking while you meditate, (remember...that's "thinking" mind and we're trying to shift to "observing" mind). Next, practice observing your emotions, in the same way as you would observe the clouds. Notice how if you're feeling an emotion, like anger, you're not actually angry, you're just experiencing anger. Two key findings will emerge when consistently observing our senses, thoughts and emotions. One, that they are impermanent, meaning they are always changing (they arise, they linger, and they go away, just as clouds in the sky) and two, they are interdependent, meaning they have causes and conditions (if you sit long enough, your leg goes numb) and the causes have their own causes and so on. During this part of the meditation, you will notice how quickly the mind shifts from observing back to thinking (making meaning of things). When it does, simply bring your attention back to the practice of observing (remember...observing that you're no longer observing is still a form of observing so don't be harsh on yourself). The whole goal of this part of the meditation is to just practice observing, that's what creates space between stimulus and response.

Part 3 - Analyze What you Observed

After observing that the nature of our senses, thoughts, and emotions is that they are impermanent and interdependent, we now want to analyze the implications of these observations. If you're experiencing an emotion such as anger, this is where you can spend time analyzing it. What are the causes and conditions of this emotion? When you find the causes, what are the causes of those causes? This process can go on forever since all things are interdependent (all things have causes).

If your senses, thoughts, and emotions are not permanent, what about your sense of self? What is the self? The Dalai Lama practices analytical meditation and he asks himself in meditation: Who am I? If you can observe your thoughts, then you must not be my thoughts. If you can observe your emotions, you are not your emotions. Are you the observer of your thoughts and emotions? If you can observe that you're observing your thoughts, are you simply the observer of the observer of your thoughts? You see how this can go on... The ultimate aim of meditation is to arrive at an understanding of the nature of reality, the nature of the self, that this sense of self we experience, like all other things, is impermanent and interdependent. It's constantly changing and it has causes and conditions. Whatever it is you're experiencing, try observing it and then analyzing it for its causes and conditions. One of the secrets of meditation is that you don't will yourself to be calm or peaceful by meditating. It can't be forced, the key is that you learn to understand the nature of your anguish, or the nature of your anger, or discomfort, or whatever emotion it is you're experiencing. Understanding the nature of your "self" brings about peace naturally. When you understand your anger, and it's causes, you become liberated from it. Not because you force it to go away but because you allow it to be the impermanent emotion that it is, and by the very nature of being impermanent, before you know it, it's gone. And when it comes back, and it will, you will greet it like an old friend but you will not be trapped by your reactivity to it anymore. Freedom from habitual reactivity is the essence of what it means to be mindful, to be awakened or enlightened. And it's something we can practice. Over and over, day after day, until we are free from our habitual reactivity. This is the goal of threefold mindfulness meditation. We calm the mind, then observe the nature of the mind and finally analyze it to gain insight about ourselves.



The Tracker Mortgage Scandal

Irish banks have paid out more than €120 million in the past two years in redress and compensation to mortgage customers who were denied a tracker rate,

€78 million paid to 2,600 customers by the end of February as part of its current industry-wide examination that it ordered at the end of 2015. It also includes €36.8 million and €5.8 million in redress and compensation that has been paid by Permanent TSB and its former mortgage subsidiary Springboard Mortgages Ltd in respect of 1,374 accounts affected as part of a redress programme that the lender announced in July 2015.

In March, the Central Bank said some 9,900 customer accounts had been identified as affected by lenders as part of its tracker mortgage examination.

Of these cases, 90 per cent of accounts have had the rates rectified with redress and compensation paid in 25 per cent of instances.

The governor said he could not provide a lender-by-lender breakdown of customers and the redress paid to them for legal reasons.

Some 7,100 tracker cases were resolved before its current examination process began.

Systemic aspect

Some 15 lenders have featured in the industry-wide examination ordered by the Central Bank in December 2015, of which 10 have been identified as having issues.

The cost of the tracker mortgage issue could top €500 million.

Some customers lost their homes as a result of not being offered the correct

tracker rate. The regulator has so far fined Springboard €4.5 million for its failures and has commenced enforcement proceedings against PTSB and Ulster Bank on tracker-related matters.

The Central Bank are reviewing house price data from November to determine if it needs to take any action to calm the market. This follows recent sharp rises in house prices, particularly in Dublin.

Steep increases

House prices in Dublin had risen by €18,000 in the first quarter of this year and the public are wondering if the regulator should consider the issue sooner to help prevent further these steep price increases.

In response, Mr Lane said it wouldn't make sense to intervene every couple of months and that it was important to make it "crystal clear" to borrowers that its review would take place once a year.

He also noted that the loan-to-income ratio of 3.5 times that applies to mortgage approvals was a "fairly severe restriction" and that only people with relatively good incomes could afford to buy a home.

The governor said that the issues around house prices were about a lack of supply of new units rather than the credit rules. He said the Government's Help-to-Buy scheme had fuelled demand but had not dealt with supply issues in the short term.

What is a tracker mortgage?

Tracker mortgages were first introduced in the late 1990's when

Bank of Scotland entered the Irish mortgage market. A tracker mortgage is a mortgage whose rate is a mixture of fixed and variable - the variable part is the European central bank (ECB) rate - the fixed part is the amount of margin the bank makes above this. So for example, if the ECB rate is 1% as it has been over the past couple of years, and the margin the bank takes is 0.75%, then the mortgage holder would have a rate of 1.75%. These mortgages were extremely popular because they offered the customer the best possible rate for their mortgage - and the bank thought they were being clever by building in their margin - what they controlled - and passed on the ECB rate - which they did not control.

The net result of the tracker mortgage period was that up to 60% of mortgages by some banks were tracker mortgages.

Why is there an issue now?

The issue now is because of a simple flaw. The banks fund their mortgages through borrowing against their deposit book. The banks decided to lend to the household for 30 years, but they borrowed to fund these mortgages for a far lesser period - 2 - 5 years in many cases, that borrowing is at a variable rate. This means that the householder is protected by the fixed margin, the bank is not - in fact banks are predominantly now losing money on all tracker mortgages. In the case of Permanent TSB, they are losing about €380m per year on their tracker mortgages.

1. The politico-economic union of 28 member states that are mainly located in Europe is known as the European Union (EU)
2. The EU policies aim to ensure easier movement of people, goods, services and capital, enforce laws in justice and home affairs, maintain common policies on trade, development and agriculture between the member states.
3. The United Kingdom (UK) has voted to leave the European Union after a long partnership of 42 years.
4. The contest was really close with 48.1% voting in favour of remaining a part of EU and 51.9% voting against it.
5. The voting was polarized geographically too where England and Wales voted to leave and Scotland and Northern Ireland voted to remain.
6. This means that another referendum is highly likely to happen, which would be for the Independence of Scotland from the United Kingdom. Though in a 2014 referendum, Scotland rejected independence from the UK by 55 to 45 percent.

The Gender Pay Gap

The majority of junior staff working in financial services are women but only one in four of those who reach a senior role is female, highlighting the struggle the industry faces to close the gender gap.

With data gathered from 50 of the world's biggest banks, insurers, asset managers and professional services firms on their progress towards achieving a more even split between men and women throughout their organisations.

The data reveals that the share of women plunges dramatically as employees move up through the ranks at their institutions. Despite some improvements in recent years, progress has been painstakingly slow. Women made up 25.5 per cent of senior roles in 2016, compared with 23.7 per cent in 2014. The number of women in mid-level jobs stayed flat at just over 39 per cent for the same period.

Just over half the companies' total staff are female – including 58 per cent at a junior level – and the companies have actively tried to hire and promote more women, with some insisting that women participate in the interview process and that shortlists include at least one female candidate.

Professional services firms

Across the sector, data found that professional services firms had the highest representation of women at

senior levels, with one woman to every two men. Banks, insurers and asset managers were broadly similar, with about one woman to every three men. Regionally, Asia was an outlier. Banks, which were the only companies to disclose data for the region, had just 6.9 per cent female representation at their most senior levels. Comparisons between institutions are imperfect with this data because senior, mid-level and junior categories are defined by the companies themselves. But comparisons over time at each employer are valid. Several senior executives said they were disappointed at the lack of change.

Diversity and inclusion

At Santander, 15 per cent of each employee's evaluation is based on "fomenting corporate culture", including diversity. UBS introduced diversity and inclusion to the scorecards for all its line managers this week. Swedbank has had diversity and inclusion on the scorecards of senior managers for the past three years; at Barclays, gender diversity has been a "key component" of the balanced scorecards employees are measured against since 2013.

Despite the strong support for gender equality at a policy level, some women in the industry feel they are still facing cultural issues as women.

Paid equally

Most of the institutions surveyed said they already conducted audits of whether men and women were paid equally for the same roles. But some women said they still believed there was a gap, and that it had developed partly because men argued harder for their bonuses and were better at self promotion than women.

Schroders was last week the latest blue-chip company to publish pay gap data, revealing that female staff were paid salaries 33 per cent lower than male staff on average, while bonuses were 66 per cent lower.

On average, men working in professional jobs earn €12,500 more than women when bonus and salary are taken into account. When the two are split, the average salary gap stands at 16% while the bonus gap goes up as high as 50%.

The lowest pay gaps were found in Big Data (3%), Accounting (5%), and Audit (8%). This reflects efforts by professional services firms to ensure a greater gender balance among graduate intake. There is also evidence of a positive bias towards females in technology by employers in what has historically been a male dominated sector and this has been reflected in the lower salary differential of 7% in the Technology and Telecoms sector.



Time to Grow Your Business – Here's How

When you first started your business, you probably did a lot of research. You may have sought help from advisors; you may have gotten information from books, magazines and other readily available sources. You invested a lot in terms of money, time and sweat equity-to get your business off the ground. So...now what?

For those of you who have survived startup and built successful businesses, you may be wondering how to take the next step and grow your business beyond its current status. There are numerous possibilities, which we will outline here.

1. Open another location.

This might not be your best choice for business expansion, but it's listed first here because that's what often comes to mind first for so many entrepreneurs considering expansion.

- Make sure you're maintaining a consistent bottom-line profit and that you've shown steady growth over the past few years.
- Look at the trends, both economic and consumer, for indications on your company's staying power.
- Make sure your administrative

systems and management team are extraordinary-you'll need them to get a new location up and running.

- Prepare a complete business plan for a new location.
- Determine where and how you'll obtain financing.
- Choose your location based on what's best for your business, not your wallet.

2. Offer your business as a franchise or business opportunity.

If you're considering franchising your business, know that the process of becoming a franchisor is usually long and involves considerable cost. Just because you qualify to sell franchises doesn't mean you will find buyers.

3. License your product.

This can be an effective, low-cost growth medium, particularly if you have a service product or branded product, you can receive upfront monies and royalties from the continued sales or use of your software, name brand, etc.- if it's successful. Licensing also minimizes your risk and is low cost in comparison to the price of starting your own company to produce and sell your brand or product. To find a licensing partner, start by researching companies that provide products or services similar to yours. But before you set up a meeting or contact any company, find a competent attorney

who specializes in intellectual property rights. This is the best way to minimize the risk of losing control of your service or product.

4. Form an alliance.

Aligning yourself with a similar type of business can be a powerful way to expand quickly. If the thought of paying out commissions or any of your own money for the sake of an alliance makes you uncomfortable, look at the big picture: You need to align with other businesses that already have lists of prospective customers. It's the fastest way to success.

5. Diversify.

- Sell complementary products or services
- Teach adult education or other types of classes
- Import or export yours or others' products
- Become a paid speaker or columnist

6. Target other markets.

Your current market is serving you well. Are there others? Electronic and foreign rights, entrepreneurship programs, speaking events and software offerings produce multiple revenue streams from multiple markets.

If your consumer market ranges from teenagers to college students, think about where these people spend most



of their time. Could you introduce your business to schools, clubs or colleges? You could offer discounts to special-interest clubs or donate part of [your profits] to schools and associations.

Baby boomers, elderly people, teens, tweens...let your imagination take you where you need to be. Then take your product to the markets that need it.

7. Win a government contract.

"The best way for a small business to grow is to have the government as a customer. Requests for proposals usually require a significant amount of groundwork and research. If you're not prepared to take the time to fully comply with terms and conditions, you'll only be wasting your time. This might sound like a lot of work, but it could be worth it: The good part about winning government contracts is that once you've jumped through the hoops and win a bid, you're generally not subject to the level of external competition of the outside marketplaces.

8. Merge with or acquire another business.

Often a business will merge with another because the opportunity

arises. Invariably this is the wrong policy as it's more important to carefully consider your long term strategy, where the business is going and what resource is needed to get there. The most important thing to remember about mergers is that if you can't grow your business organically, a merger won't help you as there needs to be a route of organic growth before it can work. The valuation of the business is one of the biggest issues for companies and often owners don't :

- Know how much money can be made.
- Emphasise profits.
- Control working capital.
- Value the business realistically.
- While an accurate valuation is essential, it's not all about the money. People will not transact unless they think they're getting value. Future profitability, looking at what you can get tomorrow as well as what's on offer today, is what keeps people engaged. Succession planning is a key part of this. Each business needs to be able to regenerate, but many companies leave it too late.
- Above all, a successful merger requires good leadership; a leader who strategically recognises the need to merge or

acquire (or in some cases, perhaps to be acquired) and one who is able to communicate the goals of the business effectively and act on them promptly.

- Most businesses never do more than one merger in their lifetime, so it's not unusual for it to fail. The following checklist will help owners with their review before merging with or acquiring another business. All of them should be considered before you start down the merger path. Know what your non-negotiable items are and stick with them. It's also vital to pinpoint your primary reason for entering into a merger. Is it to acquire talent, increase profits, expand services or expand geographic coverage?

Unfortunately, there is no guarantee for business success. It takes a combination of right brain strategic logic and left brain creative thinking to ensure that a brand or business is successful. However, the aforementioned recommendations will help alleviate some of the common pitfalls that many businesses face as they look to expand, grow and develop.