

Two members share their stories on Generational succession

By JAMES MARSHALL, Executive Director – Meridian Freight

2021 will mark 35 years of Meridian. Two generations of the Marshall family operating as a wholly owned Australian Customs Brokerage & Freight Forwarder within the International Logistics Sector.

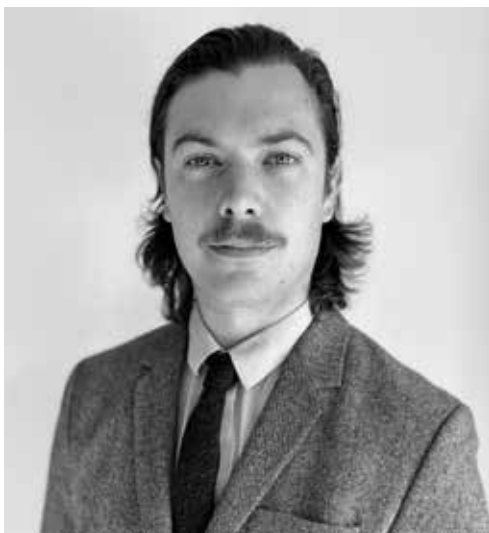
I was born in 1988, so when I think of what it was like when the company was founded in 1986, I have only the inherited LPs & quirky stories that have been passed onto me like relics of their time.

My Boss, who also happens to be my Dad, my mate & mentor - Peter Marshall, introduced me to the likes of The Cure, The Clash & Echo & the Bunnymen. He loves to dive into a reminiscent 80s story of kids playing cricket in the backyard (what is a backyard?) or episodes of the Young Ones (Who is Vyvyan?).

A time when Customs would rubber stamp your documents and when a cheque would often accompany the lodgement of an Original Bill.

I guess other relics of the 80s have not aged so well. A male dominated workforce with a lack of diversity. The telex machine, trickle-down economics & rollerblades.

Notwithstanding the above, Dad tells me the 80's were great. He also introduced me to the industry by means of a job, a Customs Clerk, at the age of 19. Yes, a Customs Clerk...something which time has also forgotten.



The 1980's was significant for our industry & it is often referred to as the decade that transformed Australia. An inspiring time both socially & politically where an embracement of internationalism and free market economics shrugged off a once protectionist style economic policy, which restricted imports through tariffs & complex duty schedules.

In 1980, key changes occurred to the Customs Act:

- The Act was amended to provide for the granting of licences to companies and partnerships and it required a corporate agency to nominate an individual agent (a nominee) for each of its places of business.

- It made it a condition of granting a licence that the applicant was a 'person of integrity'.

- It established the NCALAC to investigate and report on all matters concerning licensing.

Three pillars which remain ever so important to the protection of the Licenced Customs Broker today.

In 1985 the Asprey Draft White Paper recommended a broadening of the tax base through the adoption of a broad-based consumption tax; however, the overhaul of the sales tax system was still some 14 years away.

In recent years, Treasury figures note excise and customs duties have remained relatively steady as a revenue source but have declined in importance as a proportion of tax revenue over the last century. There have been some key developments through the genesis of Meridian, most of which I've not experienced firsthand given my 12 years infancy within the industry but all of which have shaped the landscape of international trade as I know and understand it today.

In 2020 as a 32-year-old Company Director who regularly canvases the current business climate to ensure our company

maintains competitiveness, compliance & relevance, I believe we are poised to accept the next series of economic and digital disruptions which are sure to play a key role in the next 35 years of business.

I have learnt one of the most advantageous qualities that a 21st Century Customs Brokerage or Freight Forwarder can possess is a willingness to adapt and embrace to a forever changing digital industry.

We have gone to great lengths to ensure our standard operational procedures are digitally mapped and bolstered by a framework of intelligent constraint and risk management components. Our team reap the daily benefits of a paperless office by interfacing with KANBAN style Visual Boards which populate Tasks, Milestones, Triggers, and Exceptions, no longer requiring manual reminders for processes or folio style workflows. An all too familiar concept for companies which have had to embrace these software developments during the COVID-19 pandemic.

It is curious how something so ruthless can also serve as a catalyst for change. For three and a half decades our family-owned business has been the source of quality service, professionalism, and respect.

No matter what changes are on the horizon, may they be a further reduction in barriers to trade which poise the ever developing question over Broker Licensing, an increase in compliance at the risk of a severe Infringement Notice Scheme or the implementation of a Block-Chain based Trade System, the necessity to overcome and adapt will always be an important mantra moving forward.

Perhaps The Clash said it best "You grow up and you calm down and you're working for the clampdown"

MERIDIAN

By ANDREW SANDERS, Managing Director – AWS Customs & Forwarding Pty Ltd



After 26 Years in business the time is drawing near to consider a generational change; some challenges and hurdles are discussed below.

Generational Succession – handing the business across to your kids or family – sounds simple enough, but many families end up in dispute. It's important that generational succession is managed as closely and diligently, like as if you are selling the business to a stranger, to avoid any misunderstandings or disputes – Everyone needs to understand their roles and responsibilities. Here are a few key issues for consideration

With the number of Baby Boomers retiring, the next generation of business owners are bringing with them new ideas, new technologies and a social conscience, greater than we have seen before in business

This includes such issues as the environment, sustainability, social media platforms and choosing to work with companies that are like minded or have policies in place that are in keeping with their beliefs - In other words, changing business behaviour through social conscience

Boomers should be prepared to learn from generations X and Y while also being prepared to share the wisdom they have gained through experience. Generations X and Y are more entrepreneurial with a greater willingness to challenge the status quo and say, 'that can be done'

Technology plays a part in this new attitude, example: a new app can be developed over a weekend for a few

hundred dollars – whereas it previously would have required a detailed business plan, multiple level approvals and thousands of dollars.

Boomers have 'the curse of knowledge' and programmed ways of doing things whereas generations X and Y have grown up with what is possible changing on a yearly, monthly, or even weekly basis. We know and accept what was true yesterday may not be true tomorrow.

While SME's have their challenges in competing with the bigger players in the marketplace, the underlying advantages they possess and continue to have, is their ability to create new and valued relationships, to hold existing and value add for their clients. Another advantage they have is the ability to retain and work closely on these business relationships over time, while achieving desired outcomes for the client

Education and ongoing training is key to professionalism in any industry and especially important in ours

Family owned businesses due to their very nature present many difficult challenges. Succession planning becomes somewhat complicated when consideration has to be given to various family relationships. Often this creates some obstacles between management and ownership sometimes leading to possible conflicts and subsequently threatening the company's long-term survival

A person's capability and willingness to successfully take on the business is a key consideration

While sometimes the boundaries between ownership, position and management become blurred, these can be somewhat shaped by adopting sound governance company policies and practices and provide a template for these family firms, to address professionalism and sustain the business through tough times.

Generational succession can be a long and extended process and as such needs to be well planned and thought out.

As a guide, to allow a minimum of three years, with the responsibilities and roles of the new successor and the predecessor mentoring and nurturing their knowledge of all aspects of the business and increasingly, to delegate decision making and responsibilities

Once this process is finalised, the predecessor can retire feeling comfortable that the hand over process has been completed, however, because the

incumbent (often also the Founder) has or may have, an emotional tie to the business, there is often a reluctance to 'let go' of their responsibilities and this can lead to succession failure. The Incumbent may also be fearful of a loss of power, have a lack of hobbies or interests outside work, loss of status, retirement apprehension which all maybe a key factor in influencing the ultimate handover and may lead to a perceived loss of trust in the competencies of their successor

A Shared Vision underpins the values and ideas of helping family members to remain united.



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