# Family Business Report 2026

# CONTENTS




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John Donoghue
CEO & Managing Partner, *ifac*

# FOREWORD

**Family businesses are the backbone of the Irish economy. They employ people in every town and parish across the country and contribute far more to Irish life than any balance sheet or set of numbers can fully capture. Behind each one is a family that has invested not just capital, but years, and often generations of hard work, resilience, and belief in building something that lasts.**

That ambition, *to build for the long-term* matters. Especially in periods of disruption, transformation, or uncertainty, family businesses show their resilience and endurance. They adapt, persevere, and keep going.

Most importantly, the decisions shaping the future of these businesses are made right here in Ireland; around kitchen tables, in workshops, and in boardrooms their founders could barely have imagined when the seeds of those businesses were first sown. That local decision-making matters. It keeps businesses connected to their people, their communities, and the realities of the markets they serve.

> "What makes family businesses different is not that they are immune to pressure. It is that they think differently about time.

Today the environment facing family firms is more demanding than ever, and still, they continue to strive and thrive, they keep going against the odds, and often without the right supports.

Our research, carried out in early 2026, shows business confidence remains cautious. Costs continue to rise, profitability is under pressure, and owners are navigating a regulatory environment that grows more complex each year. At the same time, technological change, particularly around AI and digital transformation, is moving faster than many enterprises feel fully prepared for. Add the realities of cross-border trade, labour market pressures, succession planning, and access to finance, and it is clear the demands on owner-managers are intensifying rather than easing.

And yet, when we look at the businesses we work with every day; the farmers, manufacturers, hauliers, pharmacists, contractors, retailers, food producers, and professional firms, we continue to see something remarkably consistent: adaptability, pragmatism, and perseverance.

What makes family businesses different is not that they are immune to pressure. It is that they think differently about time.

Family firms take the long view. They make decisions with the next generation in mind, not just the next quarter. They invest in people because they understand loyalty and trust are built over decades. They stay rooted in their communities because those communities are part of their identity, not just their customer base.

At *ifac*, we have worked alongside family businesses for more than fifty years. Over that time, our role has evolved far beyond compliance. Clients come to us not only for accounts and tax returns, but when they are thinking about succession, considering acquisitions, planning retirement, funding growth, managing cash-flow, or preparing their business for transition or sale.

This report reflects the breadth of those conversations. Across these pages, our contributors address many of the questions we hear most often from business owners: how to plan for exit, strengthen governance, fund expansion, protect continuity, and prepare for technological and regulatory change before it becomes a problem.

The challenges facing family businesses in 2026 are real, and the pace of change shows no signs of slowing. In our experience, the businesses that prosper across generations are rarely the ones that avoid difficult conversations. They are the ones that start them early, seek advice, adapt when necessary, and continue building with the future in mind.

Many thanks to everyone who worked on this report; our contributors, clients, and research partners, for sharing their expertise, experiences, and insights.

We hope this report sparks discussion, informs decisions, and helps shape a successful future for your family business. The future strength of Ireland's communities and economy will depend in no small part on the strength of its family businesses. Continued success to you and your family business.

**James Farrell**
Partner & Head of SME

# INTRODUCTION

**Every year we talk to scores of family business owners. The conversations occur across kitchen tables, in boardrooms, and over the phone on a Friday afternoon when something comes to a head. After a while you develop an inkling of what's weighing on people, and for this report we tested that sense against something more systematic.**

In March 2026, we worked with Amárach Research to survey 219 decision-makers and owners of Irish family businesses. The findings show a sector that is clear-eyed about its challenges and in many cases carrying risks it hasn't yet found the time to address. The headline number on confidence is sobering. Only 1 in 3 owner-managed firms are optimistic about performance over the next twelve months. That said, confidence rises to 44% among businesses with 10 or more employees, and to 48% where annual turnover exceeds €1m. Size doesn't insulate you from the pressures, profitability (56%) and rising costs (52%) are the dominant challenges regardless of scale, but it does give you more tools to work with.

Growth strategy tells a similar story. Product innovation is a stated goal for fewer than 3 in 10, and when a majority of firms say their top priority is protecting margins through cost efficiency, and 3 in 4 expect no change in headcount, you're looking at a sector in consolidation mode. Nearly half of respondents rate their access to finance as good but liquidity and cashflow management are a concern for 1 in 4. While funding isn't the top-line issue for most it's a pressure point for a substantial minority, and one that tends to surface when businesses try to expand or transition.

Three in four of the Amárach survey cohort acknowledged that their personal wealth is entirely or mostly tied up in their business. So the continuity question isn't academic and yet only 9% have a clear succession plan in place and 44% haven't even considered the issue. For ventures that are in effect someone's pension and life's work, there is a significant gap between what's at stake and what is been done to protect it. The governance data is also interesting. One in three family-owned enterprises has experienced a dispute that affected decision-making, and that figure rises to over one in two for larger firms. Growth creates complexity, and complexity without structure creates friction.

Each article in this report addresses something we regularly work through with clients - succession, tax, corporate finance, funding, payroll compliance, sustainability, and more. The aim isn't to cover every scenario. It's to give family business owners and managers the prompts and perspective to act earlier than they otherwise might. In our experience, the issues that create the biggest problems are rarely surprising in hindsight. They're the ones people knew were coming but kept deferring.

If anything in these pages raises a question about your own business, we'd welcome the conversation.

# KEY TAKEAWAYS

## BUSINESS CONFIDENCE

Only
**1 in 3**
of family businesses are optimistic about performance over the next 12 months

Profitability
**56%**
and rising costs
**52%**
are the biggest challenges facing family businesses

**44%**
rate their access to finance as good

**42%**
cited tax burden and complexity as a key challenge


## GROWTH AND INVESTMENT

**2 in 3**
plan to maintain current investment levels

**75%**
expect no change in employee numbers

**59%**
say their top growth priority is protecting margins through cost efficiency

**2 in 5**
say accessing new markets is a priority for growth

## SUCCESSION PLANNING

**61%**
of family businesses have no succession plan in place

**44%**
of family businesses do not have succession planning on their agenda

**77%**
say their personal wealth is entirely or mostly dependent on the business

**2 in 5**
would consider selling their business in the next 5 years

## PEOPLE

**1 in 3**
have experienced a family dispute that affected business decision-making

**84%**
prefer industry experience over AI skills when hiring

**47%**
have no wealth and management plan in place for family members in the business

**1 in 5**
expect to reduce jobs in the next 12 months as a result of AI

## AI & TECHNOLOGY

**1 in 3**
believe AI will make their business more competitive

**53%**
expect AI to have no real impact on their business

**1 in 2**
say cost is the biggest barrier to digital transformation

James Farrell
Partner & Head of SME

“

If the business value is entirely wrapped up in its owner... that’s not a business - it’s a job.

# THE QUESTION EVERY BUSINESS OWNER NEEDS TO ASK

**Every business owner arrives at the same moment eventually. It might come quietly on a drive home after a long day, or it might arrive with some urgency as a health scare or a family conversation forces the issue, but it comes. The question is always the same - what happens to this business when I’m no longer the engine driving it?**

It’s the question I spend most of my working life helping people answer, and in my experience the owners who ask it early are the ones who end up with the best outcomes.

## STRUCTURED SUPPORT

At *ifac*, we established our dedicated SME unit because we saw a clear opportunity to bring structured support to the businesses that form the backbone of the Irish economy. Vets, transport companies, manufacturers, distributors, pharmacists, professional services firms - SMEs have always been our clients. What's changed is the depth of expertise we can now bring to bear on their challenges.

**My role is similar to that of a GP. I have the relationship with the client, I understand the full picture of their business and personal finances, and where a specialist is needed, whether that's corporate finance, tax structuring or legal, I make sure they get the right advice at the right time. And like any good GP, the advice I give most consistently is don't wait until something goes wrong before you start planning**

## START EARLIER THAN YOU THINK

For a business exit, whether that's a sale to a third party, a management buyout, or succession to the next generation, you need a minimum three-to-five-year runway. The process begins with an honest conversation and a review of the financial statements, personal assets and wealth, and pension position. From there, we try to get a sense of what the picture looks like in five and ten years' time, and what needs to happen between now and then.

That picture is a powerful thing. When you can show an entrepreneur a concrete, achievable target and you can demonstrate that if they do A, B and C, here is the value waiting for them, they will back themselves to get there. That's what good planning does. It turns an abstract ambition into a defined destination

## BUILDING ENTERPRISE VALUE

One of the most common issues I encounter is a business whose value is entirely wrapped up in its owner, with 77% of our survey respondents saying their personal wealth is entirely or mostly dependent on the business. From a buyer's perspective, that's not a business; it's a job. The work of building enterprise value means developing structures and capabilities that will outlast your own tenure.

On the family succession side, the technical work surrounding capital acquisitions tax, retirement relief, and stamp duty planning is navigable once you have a clear plan. The harder work is often opening an honest dialogue between family members, both those inside the business and those outside it. Get everyone on the same page early and you might be surprised by what that process reveals.

## DON'T DELAY

If you're around fifty, running a business with a healthy balance sheet, and beginning to think about what comes next – that voice on the drive home is right. The best time to start planning was five years ago. The second-best time is now.


**2 IN 5**
are considering selling their business in the next 5 years

**77%**
say their personal wealth is entirely or mostly dependent on the business

**Martin Glennon**
Head of Financial Planning

# RETIREMENT, EXIT, AND TRANSITION PLANNING

**Retirement in a family business rarely happens on a fixed date. It is usually a gradual shift in roles, responsibilities, and expectations. When handled poorly, it can create uncertainty, tension, and financial pressure. When handled well, it can be one of the most satisfying things a family accomplishes together, giving the next generation the space to lead and the retiring generation confidence that the business is in safe hands.**

**35%**
have a successor identified, yet only **9%** have a clear succession or transition plan in place

## HANDING OVER THE KEYS ISN'T ONE DECISION, IT'S SEVERAL

One of the most common challenges in family businesses is the assumption that ownership and leadership must pass at the same time. In reality, they often move on different timelines. Key questions include:

- Who will take over day to day management.
- Whether the next generation is ready to lead.
- How voting control will be shared during the transition.
- Whether the retiring shareholder will remain on the board.

A phased approach allows the next generation to build experience while the outgoing generation provides oversight for a defined period. The important point is that both sides know what the plan looks like.

## FINANCIAL SECURITY FOR THE RETIRING GENERATION

Many founders rely on the business to fund their retirement. This can create tension if the next generation needs capital to grow the company or if the business cannot sustain high dividend payments. With only 9% of respondents having a clear plan in place, this leaves space tor tension to emerge.

A clear financial plan should address:

- The income the retiring shareholder needs.
- Whether that income will come from dividends, a buyout, or external assets.
- The tax implications of each option.
- The impact on the business's cashflow and investment plans.

## STRUCTURING A PHASED EXIT

A phased exit avoids sudden change and gives everyone time to adjust. Typical elements include:

- Gradually reducing operational involvement.
- Moving from executive roles to advisory or board roles.
- Transferring voting rights in stages.
- Setting clear timelines and review points.

The key is clarity. Everyone should understand what the transition involves, how long it will take, and what the end state will be.

## AVOIDING THE 'HALF IN, HALF OUT' SCENARIO

A common issue arises when a founder steps back from operations but continues to influence decisions informally. This can undermine the authority of the next generation and create confusion for employees.

A well designed transition plan should:

- Define decision making authority.
- Clarify the role of the retiring shareholder.
- Give the incoming generation room to make decisions and mistakes.

## PREPARING THE SUCCESSOR

Transitioning into leadership of a family business brings unique pressures, and preparation makes a significant difference. Areas to consider include:

- Leadership development.
- External mentoring or coaching.
- Exposure to financial, strategic, and governance responsibilities.
- Clear expectations around performance and accountability.

## THE CONVERSATION NOBODY WANTS TO HAVE

Transitions often fail due to poor communication rather than poor planning. Families benefit from:

- Regular discussions about expectations.
- Clear communication with non active shareholders.
- Transparency with key employees and advisers.

When everyone understands the plan, the transition is smoother and more sustainable.

## CONCLUSION

The families who navigate this well aren't necessarily the ones with the most sophisticated structures. They're the ones who started the conversation early, kept it honest, and didn't let the difficulty of the topic become a reason to put it off.

CASE STUDY

# Pat Foley Transport Ltd.

## OVER THIRTY YEARS ON THE ROAD AND PLANNING A NEW JOURNEY

**BUSINESS NAME**
Pat Foley Transport Ltd.
**OWNER**
Pat and Mary Foley
**FOUNDED**
1988 | 1st Generation
**LOCATION**
Kilkenny
**INDUSTRY**
Transportation

**For Pat Foley and his wife Mary, what started out with a single truck in 1988 has grown into an enterprise with over 50 employees and a fleet of 40 trucks, 60 trailers, and around 20 other vehicles.**

Pat Foley Transport Ltd. works with several blue-chip companies, with Tirlán accounting for around 60% of turnover. During peak milk processing months, trucks operate 24/7. January and December are typically quieter months in the dairy industry, however these months are counter balanced by a huge increase in business from Tesco and An Post. In January, the team focus on vehicle DOE testing and major maintenance, preparing for the year ahead.

### BUILT ON LOYALTY

The company's staff are very loyal, according to Mary. "We have a high retention rate and our best advertisement is our staff - they recruit for us. So we're very lucky in that regard. If a driver feels they're in a job where they're acknowledged, rewarded, and have decent working conditions, they'll tell their friends, and that's worked out well for us over the years."

The couple have four children. The eldest girls, Grace and Laura, are primary school teachers, while twins Padhraic and Rosín, 23, work in the business, learning the ropes from their parents. Despite the firm's success, the two founders are as wedded to operations as when the children were born. As they approach their 60s, Pat and Mary have commenced planning for some lifestyle changes.

### PLANNING THE EXIT

"We'd see ourselves pulling back over the next couple of years," says Pat. "The last thing you want is a timeline, it's like putting a gun to your head. We're not in a desperate hurry but we are thinking about how we can integrate Padhraic and Roisín in terms of succession." Mary adds: "Our business operates 24 hours a day, 7 days a week and the responsibility, commitment and time involved in running it are considerable. We are both approaching 60 and we feel the ten years between 60 and 70 are very important. We've worked hard over the years and we want to be able to enjoy some of the benefit of that."

Working with their advisory team, Mary and Pat are confident that their business is truly understood, with Mary noting "we've been having conversations we never had before because they put options and solutions in front of us we didn't even know existed."

### SEEING THE WOOD FROM THE TREES

James Farrell, Head of *ifac's* SME advisory team, observes that founders who retain close control of their family business is a reason why the venture has thrived. "This repeats itself across family firms up and down the country. You build something so successful that it becomes difficult

Pictured: Michael Purcell, Pádhraic Foley, Róisín Foley, Mary Foley, Gary Stapleton & Pat Foley

to extricate yourself from it, to see the wood from the trees and actually enjoy the benefits of what you've built.

"One of the things we'll be looking at outside of the tax planning is the management structure. How do Pat and Mary step back from their intense current roles? Building that knowledge out beyond just the two of them, without putting too much pressure on the successors, is going to be critical. Our job is to try to pull them out of the day-to-day, even for an hour or two every other month, and look at the wider picture."

## A BIGGER PICTURE EMERGES

"What we've seen with James and *ifac* so far has been very impressive," says Mary. "We were existing in a small bubble and suddenly a much bigger bubble has opened up with a lot more options. When you're a small business you do your core things right but you might not have time for everything else.

"*Ifac* ticks the boxes across the areas where businesses struggle - identifying where management needs to step up, where you need outside help, and when you need to step back. Business is tough and you need good people behind you, supporting you and giving you confidence that you can do this."

The family business exiting and succession space is at the core of what *ifac* does. It's holistic client care - financial planning, tax, exit structures, and wealth management, all brought together. With Pat and Mary, the reason these conversations are possible is that they built something remarkable over the past 30-plus years.

**Marty Murphy**
Head of Tax

“

Succession rarely fails because of tax rates. It fails because tax is considered too late.

**44%**

of businesses do not have succession planning on their agenda at all

# PASSING ON YOUR BUSINESS WITHOUT LOSING IT TO TAX

**Our survey found 41% of family businesses say accessing new markets will be a top priority for their growth over the next year. There is a particular type of Irish business that carries more than commercial value. The long-established hardware store on the edge of town or the garden centre built over thirty years. These businesses are built for continuity. But when the time comes to pass them to the next generation, getting the structure right, and getting it right early, can be the difference between a clean handover and a costly one.**

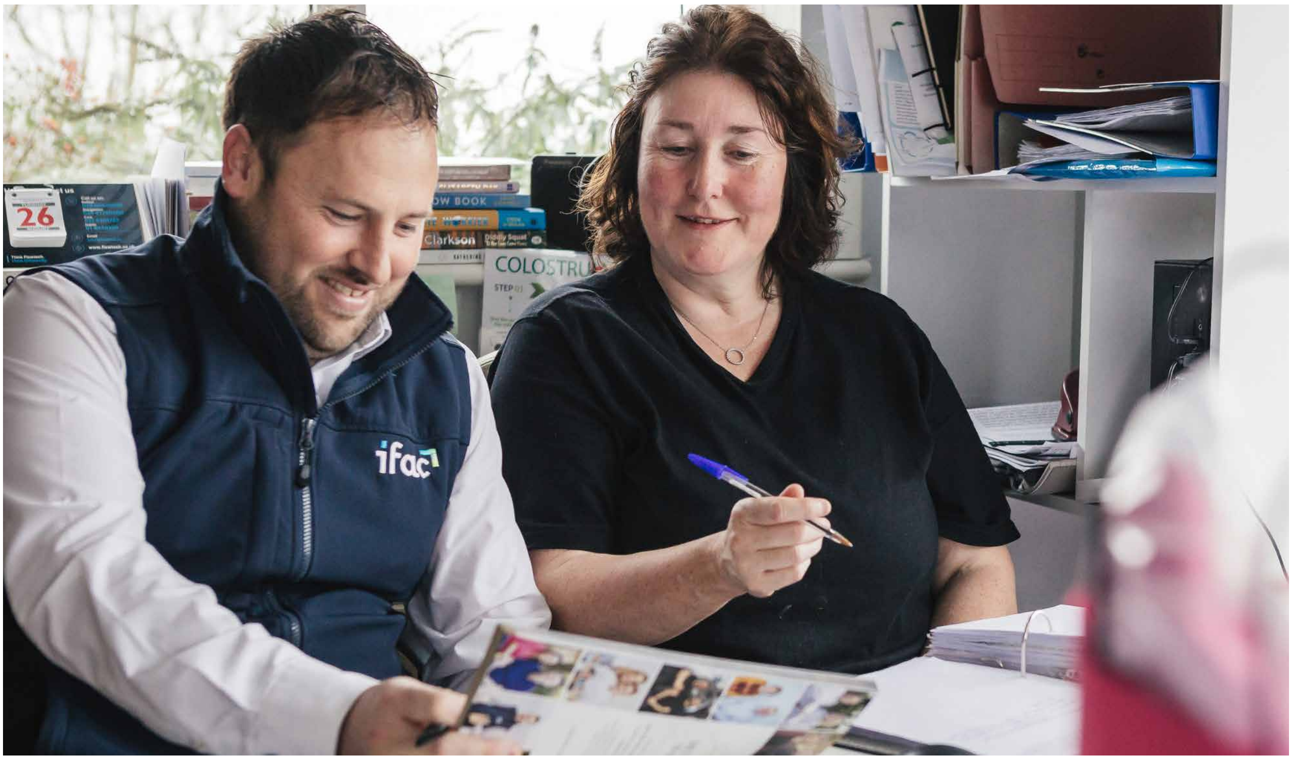
## START WITH THE BALANCE SHEET

A long-established family business may own the trading premises, adjoining land accumulated over time, stock and plant, and surplus cash built up during strong trading periods.

Retirement Relief applies to shares in a trading company or the holding company of a trading group. Where a material portion of the company’s value relates to non-trading assets, relief can be restricted. Surplus cash, investment properties and passive assets can dilute trading status.

In many cases, the practical solution is to hive out the trading business into a new company. This allows the shares being transferred to represent a cleaner trading vehicle for relief purposes. That type of restructuring needs to be considered well in advance of retirement.

At this stage, valuation becomes critical. A defensible, independent valuation determines Stamp Duty and underpins Retirement Relief thresholds, Business Relief qualification, and Fair Deal exposure. Without one, you are navigating blind.




## RETIREMENT RELIEF

For a parent transferring shares in a qualifying trading company to a child, Retirement Relief can eliminate Capital Gains Tax, subject to age-related thresholds. Succession planning is therefore not simply about transferring shares, it is about transferring the right structure at the right time.

## ENTREPRENEUR RELIEF

Entrepreneur Relief provides for a 10% CGT rate on qualifying disposals, subject to a €1.5 million lifetime gain limit. While typically secondary in a parent-to-child transfer, it becomes relevant where Retirement Relief thresholds are exceeded or succession is accelerated.

## STAMP DUTY

Even where CGT is relieved, Stamp Duty arises on the transfer of shares at 1% of market value. In many well-structured family transfers, Stamp Duty is often the only immediate tax cost.

## FAIR DEAL: THE QUIET RISK

Under the Fair Deal Scheme, qualifying trading business assets are subject to the 7.5% annual contribution, but that exposure is capped at three years. Non-qualifying assets can continue to be assessed for as long as the individual remains in care.

Many founders delay transferring shares because they wish to retain control. It's understandable. However, delay can quietly increase Fair Deal exposure and reduce flexibility. Acting early costs nothing. Acting late can cost a great deal.

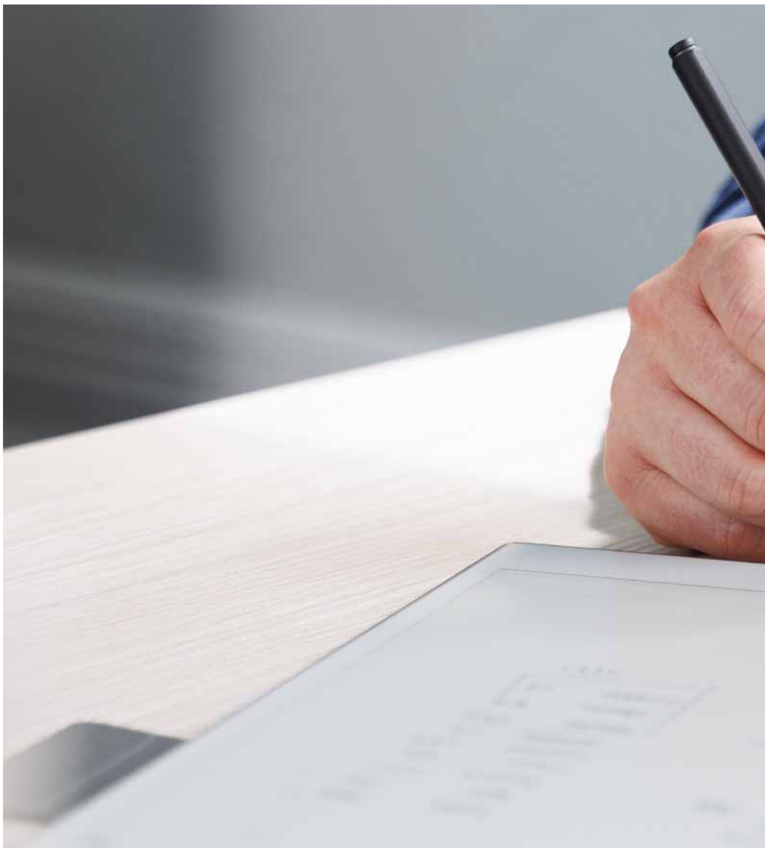
## CAPITAL ACQUISITIONS TAX

From the next generation, the principal exposure is CAT, not CGT. Where a son or daughter receives shares, CAT arises at 33% on market value, subject to the available threshold. Business Relief can reduce the taxable value by 90%, and excess investment assets can dilute the relief. Ensuring that the balance sheet supports Business Relief can mean the difference between a manageable tax exposure and an unsustainable one.

## PLANNING EARLY PRESERVES OPTIONS

In established family businesses, succession rarely fails because of tax rates. It fails because tax is considered too late.

**Tom Murray**
Partner, Friel Stafford
(a subsidiary of *ifac*)



# PREPARING TO SELL YOUR BUSINESS

**A trade sale isn't just a transaction. It's the moment you convert years, sometimes decades, of graft into capital. For many families the business is their pension. It's the asset that underpins retirement plans, supports the next chapter, and in some cases helps the wider family.**

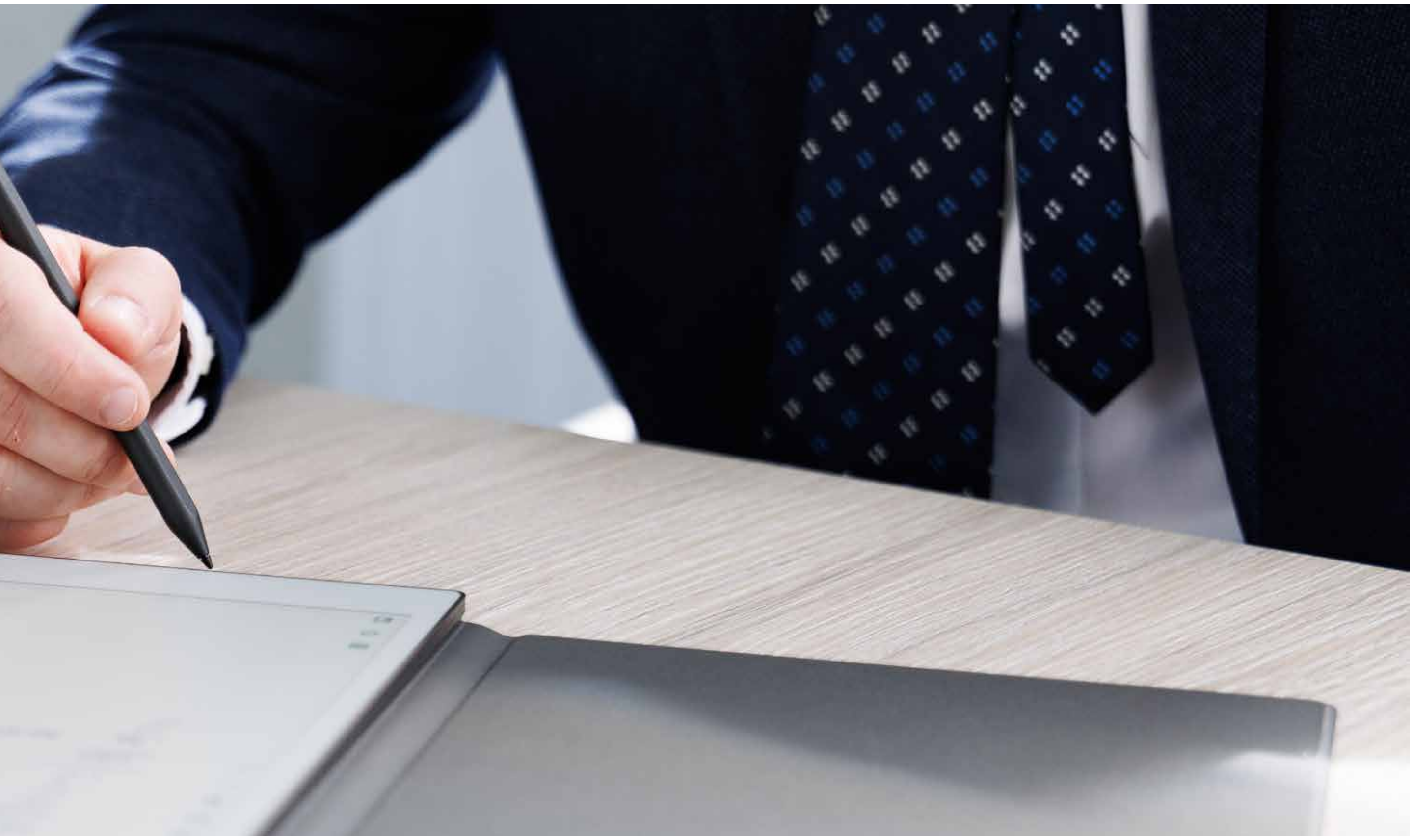
Strategic buyers typically pay the strongest prices, but they are selective and disciplined. They look for businesses that are well run, financially clear, and capable of performing without over-reliance on the founder. Owners who prepare early by strengthening management, clarifying earnings, reducing risk, and demonstrating a credible growth story tend to achieve better outcomes and retain more control through the process.


**42%**
are considering selling their business in the next 5 years

## DECLUTTER THE RISK

That's precisely why preparation matters so much. You wouldn't sell your home without fixing the cracks, clearing the clutter, and giving it a coat of paint. Yet I regularly see owners bring business to market 'as is', and hope buyers will see the potential. Buyers do see potential, but they also see risk, and they price for it.

Preparation for a trade sale is about reducing uncertainty and making it easy for someone else to step in and run what you've built. The first place buyers look is the numbers. Clean, well-presented accounts that clearly demonstrate sustainable earnings build confidence. If profits are muddied by personal expenses, one-off costs, or unclear adjustments, buyers will either discount the price or spend months picking through the detail.



## STRENGTHEN THE MANAGEMENT TEAM

Next comes concentration risk. If half your turnover comes from one customer, or if every key decision runs through you, that will make a buyer uneasy. Strengthening the management team, documenting processes, and broadening the customer base takes time but it directly affects what someone is prepared to pay.

Contracts, leases, intellectual property, tax structure - none of it is glamorous, but all of it matters. Small fixable issues left unattended have a habit of surfacing late in a process. Early preparation avoids that uncomfortable renegotiation when you are already mentally half-retired.

## HIGHLIGHT THE POTENTIAL

Most importantly, preparation allows you to tell a credible growth story. Buyers don't just purchase last year's profits. They buy future earnings. If you can show a clear pathway supported by data and realistic forecasts, you move the conversation from 'What could go wrong?' to 'What could this become?'

And here's the key point: this isn't a six-week tidy-up. Meaningful improvements take 12 to 24 months and starting early gives you control. It allows you to strengthen margins, tidy the balance sheet, reduce debt, and gradually reduce reliance on yourself.

> “
>
> Preparation isn't cosmetic.
> It's commercial.

## THE COMMERCIAL IMPERATIVE

Succession and voluntary liquidation will always have their place. But if a trade sale is even a possibility it should be treated as a plan, not a fallback. The difference between a business that sells and one that sells well often comes down to the work done in advance.

And when the business represents a large share of your family's wealth, it's simply too important to leave to chance.

**Anthony Glennon**
Partner, Friel Stafford
(a subsidiary of *ifac*)

# MEMBERS' VOLUNTARY LIQUIDATION

**When owners start thinking about exiting their business, the same three options usually come up. Pass the business to the next generation, sell it to a third party, or bring things to an orderly close through a Members' Voluntary Liquidation (MVL). The MVL doesn't get the same attention as a sale, but in the right circumstances it can be a very sensible and tax-efficient way to extract value from a lifetime's work.**

A Members' Voluntary Liquidation is a controlled wind-down of a solvent company. The business has finished trading, debts are settled, and what remains is distributed to the shareholders. The principle is simple but the difference between doing it casually and doing it properly can be significant, particularly from a tax point of view.

## TAX ADVANTAGES

A well-structured MVL can allow shareholders to access capital gains tax treatment rather than income tax on the final extraction of value. That alone can make a meaningful difference. Where conditions are met, Entrepreneur Relief may apply, reducing the CGT rate on qualifying gains to 10%.

For many owner managers approaching retirement, Retirement Relief can potentially shelter some or all of the gain from tax altogether at 0%, depending on age, ownership period, and the nature of the assets.

## *'IN SPECIE'* DISTRIBUTION

Planning also opens the door to practical advantages. Assets can sometimes be distributed *'in specie'* i.e. transferred out of the company rather than sold, which can be useful where shareholders wish to retain property or investments personally. And in certain cases, the transfer of unencumbered property or assets out of a company as part of an MVL can occur without stamp duty.

As with any exit route, preparation matters. Liabilities must be cleared, tax affairs brought fully up to date, and the balance sheet carefully reviewed. Loose ends that might have been manageable during trading can become costly if left unresolved during a wind-down. Early planning allows time to simplify the structure, address historic issues, and ensure reliefs are actually available rather than assumed.

> There is a certain peace of mind in closing the doors on your own terms, knowing the affairs of the company are tidy and the value has been extracted efficiently.

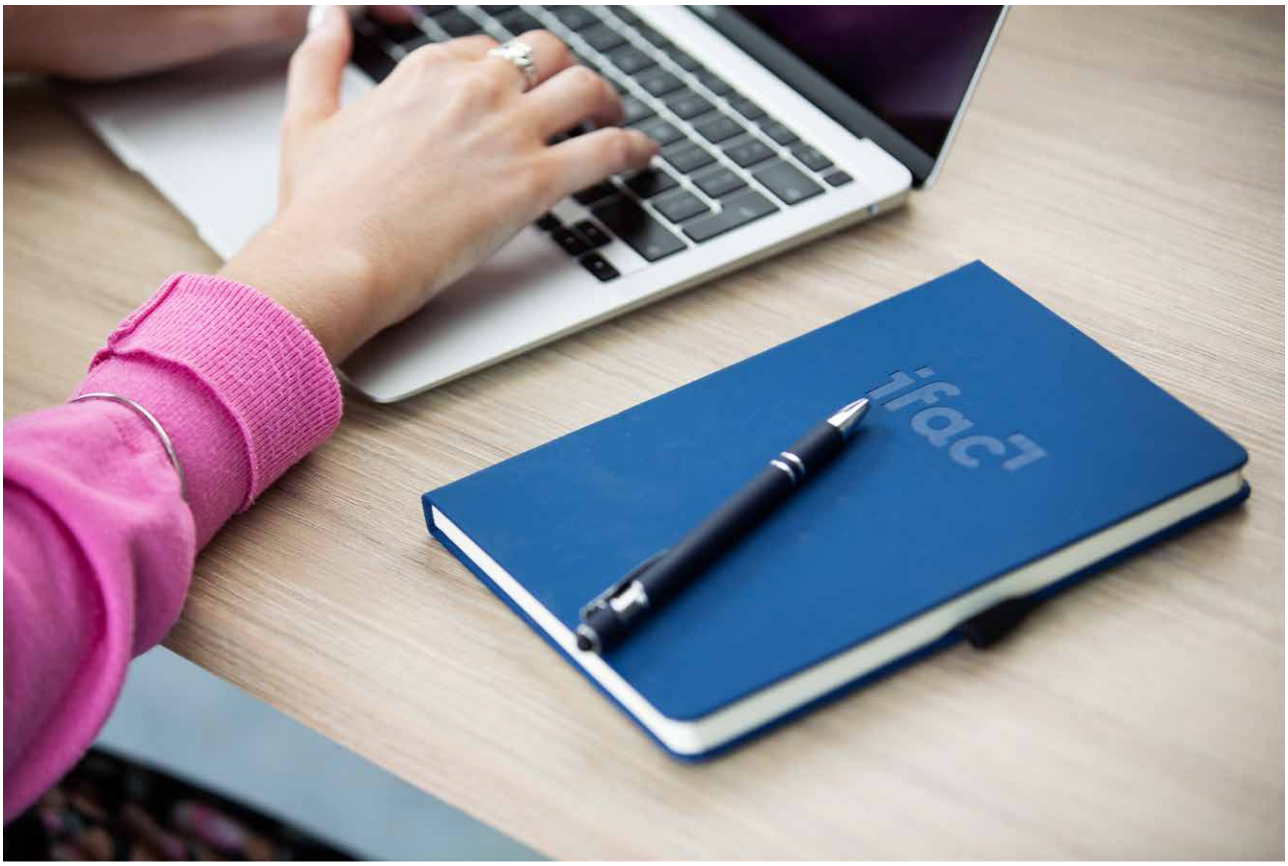
## ORDERLY CONCLUSION

It's also worth stepping back and viewing the MVL alongside the other two exit paths. Family succession requires a willing and capable next generation, and careful thought around fairness, control, and leadership. A trade sale may deliver the highest headline price, but it involves market timing, buyer negotiations, and the emotional shift of handing over what you built.

An MVL is different. It suits owners who are ready to stop, who may not have a successor, and who prefer a clean, orderly conclusion.

## PROTECTING VALUE

As always, the key is not to drift into a decision. The business is often one of the largest assets a family owns. Whether the path is succession, sale, or MVL, the worst outcome is arriving at that decision unprepared. Good planning keeps the options open - and when it comes to an MVL, it can make the final chapter not just simpler but significantly more rewarding.



**David Leydon**
Head of Growth and Agrifood Consulting

# WHY EVERY FAMILY BUSINESS SHOULD BE THINKING ABOUT ITS BOARD

**Our research into family businesses in Ireland found that two-thirds operate with informal, family-led governance only. No external board members, no formal structures, and simply the family getting on with it. That works for many firms, particularly in the early years when decisions are fast and trust is high. However, our research also found that one in three family businesses has experienced a dispute that directly impacted business decision-making. In 13% of cases that dispute had a major business impact and in 4% it led to a change in leadership or ownership.**

**2 IN 3**
are operating with informal, family-led governance

## THE PROBLEM WITH 'WE'LL CROSS THAT BRIDGE WHEN WE COME TO IT'

Our findings show that the businesses most likely to report disputes are those with 10 or more employees and turnover above €1 million. These are businesses that have started to scale and the informal approach that got your family business to where you are can become the very thing that holds you back.

When there is no structure to resolve disagreements, no independent voice to challenge assumptions, and no process for making difficult calls about the future, small frustrations develop into something more serious. Even a modest board creates a space where those conversations happen before they become crises.

## WHAT A BOARD ACTUALLY DOES FOR A FAMILY BUSINESS

For most SMEs we're talking about one or two independent non-executive directors sitting alongside the family leadership, meeting quarterly and bringing three things the family often can't provide for itself.

- **Perspective:** Someone outside the family dynamic who can ask the questions nobody inside the business wants to raise, around succession planning, investment priorities, and whether the business is growing strategically or simply staying busy.
- **Process:** A rhythm of accountability - financial reporting, strategic review, performance conversations - that lifts the business out of the day-to-day and forces it to think about where it's going.
- **Protection:** When the time comes to sell, bring in external investment, or transition to the next generation, buyers and investors want to see governance. A business that has been making decisions through a functioning board is worth more than one where everything runs through a single individual's instincts.

## WHAT NOT TO RUSH INTO

The answer is not to go from zero to a full formal board overnight. For a business turning over €1–3 million, that can feel expensive and not part of their culture. We generally suggest starting with an advisory board of one or two experienced people who meet with you regularly and hold you to account, with no legal obligations and no formal appointments.

Pick people who understand your scale, be honest about what you need, and don't appoint friends. The value of an external director is their independence and ability to challenge. And don't wait until you're in trouble. The businesses that get the most from governance are the ones that put it in place when things are going well.

## THE PRACTICAL REALITY

Our research found that only 16% of family businesses currently have independent non-executive directors. These firms tend to scale more confidently, manage family transitions more smoothly, and achieve better outcomes when they exit. We encourage every family business we work with to start the conversation about what a board could look like for them.

"

Pick people who understand your scale, be honest about what you need, and don't appoint friends. The value of an external director is their independence.

**Yvonne McCormack**
Partner

> In my experience the quality of the professional team around you is the single biggest determinant of how smoothly a transaction proceeds.

# BUYING OR SELLING YOUR FAMILY BUSINESS

**Whether you are thinking about selling the business you have spent decades building, or looking to grow through acquisition, the process will be more complex and time-consuming than you expect. Here is what I have learned from advising family businesses through deals that can define a lifetime of work.**

## PREPARATION IS EVERYTHING

Some people come to us and say they want to sell immediately. We can work with that but it's far from ideal. You should prepare at least 24 months in advance of going to market. Start by reviewing a due diligence checklist. Three years of audited financials, key contracts, lease agreements, employment records, share registers - these are standard requirements. If turnover jumped or margins shifted there is always a reason and you have to be ready to explain it.

## DON'T UNDERESTIMATE THE EMOTIONAL DIMENSION

For family business owners the company is bound up in relationships and years of hard work. When you come to sell, there are emotional hurdles on top of the financial and legal complexity. Similarly, think carefully about what comes next. Many owners who sell are nowhere near retirement age and the sudden loss of a structure that has defined their daily life for years is something for which they are not prepared. Exploring options such as a consultancy role within the business post-sale can provide a valuable transition.

## KNOW WHAT YOUR BUSINESS IS WORTH

A good advisor will work through a tailored valuation, considering not just historical financials but also the future potential of the business. If you are selling due to health reasons or other personal circumstances, and the business has untapped potential, that needs to be factored in.


**2 IN 5**
are considering selling their business in the next 5 years

## BUY WITH YOUR EYES WIDE OPEN

When acquiring a business, the key question is how does the target align with your personal and business values? And are you prepared for what ownership involves - potentially 60, 70 or 80 hours a week? Financing also needs to be thought through. If using the traditional bank route the buyer generally needs to bring at least 30% of the purchase price themselves.

Due diligence on the buy side is at least as important as on the sell side. Transactions sometimes stall because of something beneath the surface - a lease problem or an unresolved employment issue. Go deep and hire professionals who know your sector.

## THE RIGHT TEAM MAKES THE DIFFERENCE

In my experience the quality of the professional team around you is the single biggest determinant of how smoothly a transaction proceeds. Choose financial, legal, and tax advisors who understand your sector. You are going to spend a lot of time together so make sure you like and trust them.

Seek out specialist tax advice early. Retirement relief, entrepreneur relief, and participation exemption are not details to leave to the end. Structuring your affairs correctly well in advance of a sale can make a material difference to your net outcome.

**Andrew Brolly**
Fractional CFO

> The danger isn't in the business that's struggling, it's the profitable one. Success can breed complacency.

# MOVING BEYOND YEAR-END ACCOUNTS

**Annual accounts are a compliance tool, not a management tool. By the time you review them, sometimes a few months after your year-end, the numbers are ancient history. Relying on them to run your business is like driving using only your rear-view mirror. You can see where you've been, however, you may have no idea what's coming.**

## THE COST OF NOT KNOWING

Without regular visibility of your finances, potential leaks go unnoticed. Rising supplier costs may not be reflected in your pricing and stock management may not be your top priority. Margins could erode and staff productivity may drift and this can go on for months or even years.

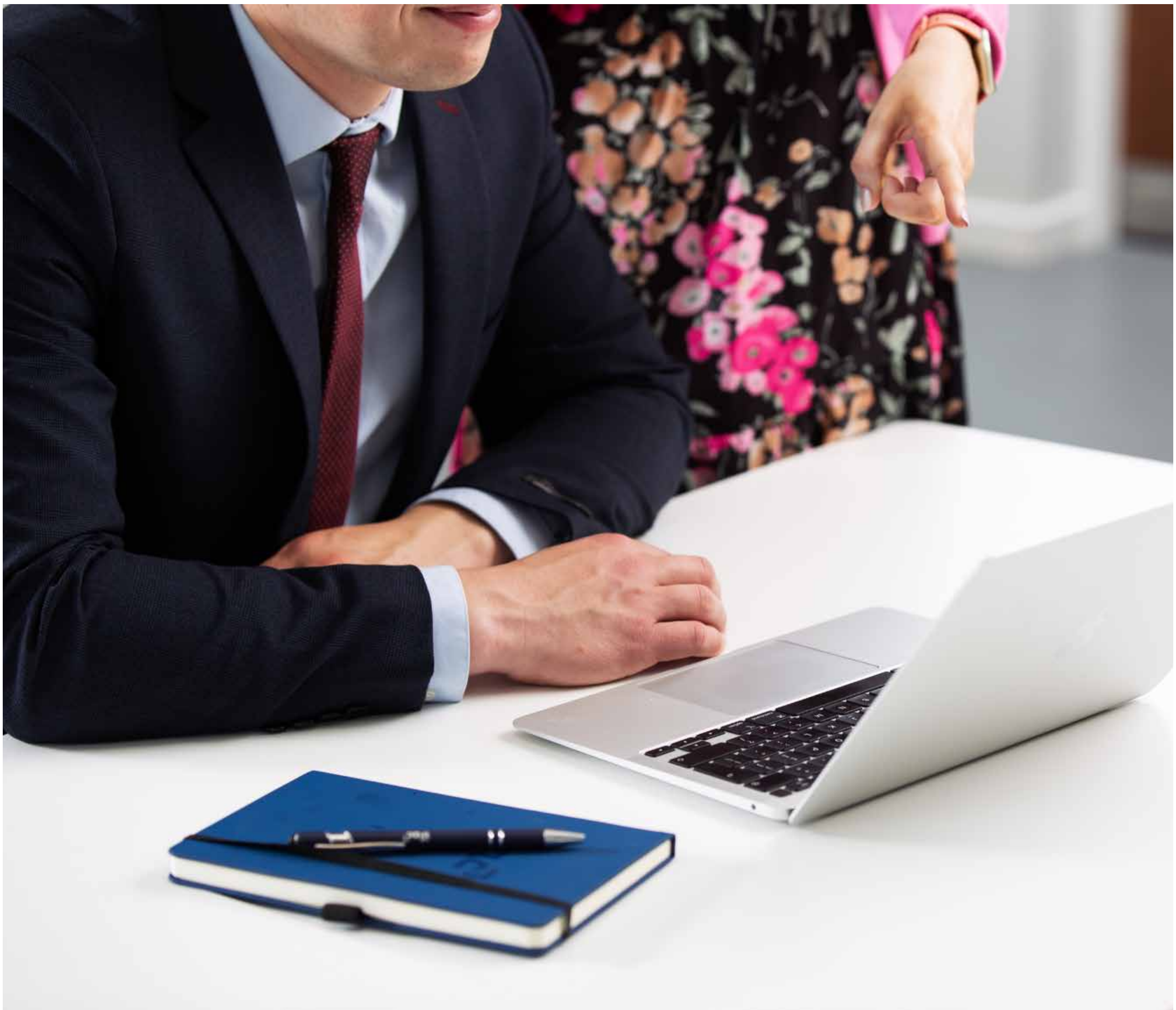
The danger isn't in the business that's struggling, it's the profitable one. Success can breed complacency. Staff roles shaped around people rather than performance, supplier pricing and purchase terms that have never been challenged, stock management that nobody has looked at closely in years. None of it shows up as a crisis. It just quietly costs you.

The above issues influence your cashflow and will affect the bottom line in your profit and loss. In the most efficient businesses, there are already many factors affecting cashflow. Growing businesses need to invest in additional stock and new or existing customers may exceed their credit terms. The result is a strain on cashflow. Adding business inefficiencies to this only exacerbates these cashflow constraints.

## FROM REACTIVE TO PROACTIVE

Monthly or quarterly management accounts give you a real-time picture of how your business is performing. You can see margins by product or customer, monitor debtor and creditor days, and maintain a rolling cashflow forecast, before problems arise rather than after.

Management accounts, combined with a clear dashboard, puts you in control. You can see if debtor days are creeping over 60 or 90 days before it becomes a larger issue. You can spot a decline in margin and investigate the cause before it compounds. You can forecast a cash shortfall six months out and plan for it rather than scrambling when it arrives.



## WHAT A FRACTIONAL CFO DOES

Not every family business needs a full-time CFO. The fractional model gives you the same financial discipline and perspective at a fraction of the cost. It means someone is asking the questions that often go unasked; about stock, about debtor collection, about whether your margins are where they should be. And increasingly it means helping businesses adopt smarter systems, such as automated invoicing, real-time bank feeds, processes that reduce the manual load and increase visibility.

The rear-view mirror has its place. But the businesses that grow with confidence are the ones that know where they're going, not just where they've been.

**1 IN 3**

are optimistic about the performance of their business over the next 12 months

Noreen Lacey
Head of Banking

# FUNDING YOUR FAMILY BUSINESS GROWTH

**Growth costs money. That's not a problem; it's a good problem. For family-run businesses, the desire to grow often comes with the challenge of finding the right funding. How you fund that growth matters as much as the growth itself, and the decisions you make around debt. Equity and control will shape the business for years to come. For family businesses, in particular, getting the balance right means thinking about more than just the numbers.**

## THE CASE FOR DEBT

Traditional bank lending remains the foundation of business expansion funding in Ireland. Senior lending from banks often offers the most cost-effective option, with structured repayment terms and competitive pricing. If your family business has a strong trading history, solid balance sheet and appropriate security, banks can offer attractive rates for everything from property purchases to equipment investments.

**67%**

plan to maintain investment levels while **17%** anticipate increased investment over the next 12 months

A well-thought-out proposal backed by solid evidence makes all the difference. This means a clear business plan, realistic financial projections, clarity about how you'll use the capital and what return you expect. Getting your accountant involved early can really strengthen your case.

## WHEN THE BANK SAYS NO

In recent years, more Irish businesses have explored alternative lenders as either a complement or alternative to traditional banking. These providers often take a broader view when assessing businesses and may offer more flexibility around repayment. Borrowing costs are typically higher, but these lenders may support businesses that don't tick all the conventional boxes.

Asset finance and leasing let you acquire equipment, vehicles or technology without large upfront costs, preserving cash while spreading payments over the asset's useful life. Invoice financing helps unlock cash tied up in outstanding invoices, and this is useful when you're winning larger contracts that strain working capital.

## DON'T OVERLOOK THE FREE MONEY

Grants are often the most overlooked option. The Strategic Banking Corporation of Ireland provides lower-cost SME funding, and Enterprise Ireland and your Local Enterprise Office offer a range of supports. Grants are particularly attractive because they are non-dilutive and, in many cases, non-repayable.

## EQUITY FINANCE

Equity finance can be powerful for businesses with clear expansion opportunities. It eases short-term cashflow pressure because there are no structured repayments, and can fund acquisitions, support market entry, or accelerate expansion. However, equity means accepting ownership dilution and taking on partners with defined investment horizons. Mezzanine finance can offer a middle ground, provide substantial capital while maintaining majority family control.

## THE FAMILY DIMENSION

What sets family business expansion apart is how business objectives and family dynamics interweave. Your choice between debt and equity depends on risk appetite, growth trajectory and your ability to service repayments. Many family businesses prefer debt because it preserves control. Over-borrowing doesn't just strain the balance sheet, it can strain family relationships. Think carefully about personal guarantees, which put family assets at risk and need proper evaluation with professional advisors.

“

Over-borrowing doesn't just strain the balance sheet, it can strain family relationships.

## FINDING YOUR PATH FORWARD

Expansion represents an exciting chapter, but success depends on the right financial foundation. Define clearly why you need funding and how you'll use the capital. Keep financial statements current and prepare realistic projections. Most importantly, seek professional advice early. The right advisers will help you navigate the options and negotiate terms that protect your family's long-term goals.

CASE STUDY

## Advanced Coatings

# FROM THE WAREHOUSE FLOOR TO THE MANAGING DIRECTOR'S CHAIR

**BUSINESS NAME**
Advanced Coatings Technology LTD
(& The Paint Hub)

**OWNER**
Kate Gaynor, Managing Director

**FOUNDED**
1995 | 2nd Generation

**LOCATION**
Carlow

**INDUSTRY**
Industrial paint supply and consumer retail

**When Kate Gaynor was 13, her parents were running a paint wholesale operation out of Carlow. Her job was to address envelopes by hand and place a scratch card with every order. "I was the marketing department from the start," says Kate.**

Nearly three decades later, Kate is Managing Director of Advanced Coatings, the company her parents handed over. "I came in on a ship that was well set for sailing," recalls Kate, who was 27 when she took the helm. "The foundations were solid but there was a lot of pride tied up in making sure it didn't fail on my watch. People forget that whoever takes over the business faces the same fear as the first generation."

In 2019, Kate opened The Paint Hub, a specialist paint store and e-commerce business. Brand loyalty in the paints sector is deeply entrenched, and Kate concedes that she devoted too much attention to the start-up.


“I probably should have shared the load. Over the last year or two we’ve brought in external consultants for different projects, and we are hiring a marketing director who can push things forward faster. This next decade I intend to lean more on others.”

Through the company’s generational transition and expansion, one constant was accountancy practice Coughlan Carroll, which merged into *ifac* in 2025. Rosaleen White, who has worked with the business for over a decade, continues as Kate’s primary point of contact.

“It’s about having a familiar face, and continuity builds trust,” Kate remarks. “When you are on the job 24/7, it’s important to have people in your corner who you know are minding everything.”

*Ifac* handles payroll and compliance matters for the company, and in-house bookkeeper has a direct line to Rosaleen White in *ifac*. “She’s always free to email in any queries, payroll-related or otherwise,” Rosaleen explains.

“

### *Ifac* Insight

‘When Advanced Coatings opened their retail store, we advised the company on how to reconcile a float, and how to handle daily takings when everything before was invoices and bank transfers. Those change moments happen in every growing business. Our job is to be the person who knows your business when you need assistance.’

**Rosaleen White**
*Partner*

“It’s not constant and we’re here when she needs us. Benefit-in-kind on vehicles is a good example. With sales reps on the road, that’s constantly changing and it’s something you simply don’t want to get wrong with employees’ wages.”

In Kate’s opinion, for family business owners at any stage of their journey the hard work is non-negotiable. So is building a good team and having genuine passion for what you do. “And you need people in your corner - people you trust.”

**Karol Kissane**
Head of Public Sector Services and Economics

# YOUR FIRST EXPORT MARKETS

**Most Irish businesses that export successfully start with the same two markets, the UK and the EU. Not because they lack ambition, but because proximity, familiarity, and structural advantage are real and powerful things. The case for prioritising them has never been stronger.**

According to Enterprise Ireland, in 2024 the EU overtook the UK as the largest export destination for the agency's client companies, who make up the backbone of the indigenous SME export base. Central Bank of Ireland analysis reinforces why these markets dominate for smaller businesses: SMEs represent 97% of all Irish firms exporting to the UK, with micro-enterprises accounting for more than half by number.

## START WITH THE FAMILIAR

For any Irish SME at the start of its export journey, the UK offers structural advantages that are difficult to replicate elsewhere. A shared language, common legal traditions, similar business culture, and deep familiarity mean shorter sales cycles, fewer misunderstandings, and a reduced learning curve. The Common Travel Agreement allows Irish staff to work and travel there freely, with logistics infrastructure in place and professional services are mature and efficient.

Brexit has introduced friction such as customs declarations and rules of origin requirements, and this regulatory divergence has added cost, particularly for agri-food exporters. But the fundamentals haven't changed. The UK remains one of the most natural first markets an Irish business can enter.

## ONE MARKET, 27 COUNTRIES

The Single Market gives Irish businesses access to over 450 million consumers across 27 countries under a single regulatory framework, eliminating the tariff and non-tariff barriers that make exporting to third countries so complex and costly.

Because Irish businesses already operate within EU regulatory standards, a product or service that sells in Ireland can, in principle, be sold anywhere from Lisbon to Tallinn without re-certification or customs declarations, and without currency risk across the eurozone.

## HELP ALONG THE WAY

SMEs beginning this journey are not doing so alone. Enterprise Ireland runs its 'Enter the Eurozone' programme specifically for companies with little or no prior EU export experience. The Enterprise Europe Network offers pan-European partner matching and regulatory guidance, and Local Enterprise Offices offer export readiness programmes, mentoring, and market research grants. Any of these are worth a conversation before you commit to your first export move.

> "Ireland's position as the EU's only native English-speaking member state, combined with eurozone membership, is a competitive asset that no other small open economy can replicate.

## THE SCALE OF THE OPPORTUNITY

The EU and UK together absorbed over €24 billion of Enterprise Ireland client exports in 2024. That is the scale of what is available to Irish businesses that take the next step. As global trade becomes more uncertain and US policy more unpredictable, the stability, scale, and coherence of the European Single Market is a genuine opportunity and, in an increasingly unpredictable world, a form of strategic insurance too.

If you are an Irish SME owner ready to export for the first time, start with what you know, build on your natural advantages, and let the EU Single Market be the platform from which you take on the world.

**Marty Murphy**
Head of Tax

**41%**
say access to new markets is a top priority for growth in 2026

# CROSS-BORDER GROWTH IS A STRUCTURAL DECISION

**The traditional default expansion route for Irish businesses was the UK. Brexit changed that, and now many Irish companies are looking directly to the EU for growth. It is a Single Market, and the customer base is vast. Here is the reality: the moment you start trading across EU borders you are potentially creating tax footprints in multiple jurisdictions.**

## ONE STOP SHOP

The One Stop Shop (OSS) regime has made life easier for many businesses selling goods to EU consumers. Register once in Ireland, file quarterly, and remit VAT due across the bloc. For straightforward B2C sales, this works well, but OSS is an administrative simplification, not a structural solution.

OSS does not apply to the UK. Sales to Britain are exports from Ireland and imports into the UK, bringing UK VAT and customs implications into play. Even within the EU, OSS only works if you are genuinely supplying cross-border without creating a local presence.

The moment you hold stock in another Member State, import goods directly into another country or create a fixed establishment, the simplicity fades and local VAT registrations can arise quickly.

## WHEN TRAVEL TURNS INTO TAX

Expansion often begins modestly. A sales manager spends more time in Germany, or an engineer oversees installation projects in France, and contracts are negotiated face-to-face in Spain. At some point, business travel can morph into taxable presence.

If employees are effectively operating from another country, a permanent establishment can arise. That means corporate tax filings, profit attribution, and local compliance. Even before that threshold is reached, payroll issues can surface. Local employment tax and social security obligations do not disappear because the contract is Irish.

> "
> The question is not whether you intend to establish a presence. The question is whether your activity could be interpreted as one.

## BRANCH OR SUBSIDIARY?

One of the most common patterns we encounter both inbound into Ireland and outbound into other EU countries is drift. A company starts exporting, sales grow, a local warehouse is used, and a country manager is appointed. At some stage, someone asks, 'Should we formalise this?'

A branch or a subsidiary both create obligations. If you are serious about a market, structure for it, and if you are testing a market understand the limits of what you are doing.

## TRANSFER PRICING

If you are allocating profit to a branch, charging management fees to a subsidiary or moving stock across borders within a group, arm's-length pricing rules apply and documentation is expected. It is far easier to document the commercial rationale at the time than to defend it years later under enquiry.

## CONCLUSION

EU tax authorities are more connected than they once were. VAT reporting is increasingly digital and cross-border data sharing is routine. None of this should deter expansion. The EU remains a significant opportunity for Irish businesses, but expansion should be deliberate.

The difference between exporting into Europe and establishing yourself there is subtle at first. Over time, it becomes decisive. Growth is good, but cross-border growth is a structural decision, not just a commercial one.

Mary McDonagh
Head of HR & Payroll

# WHY PAYROLL AND HR COMPLIANCE MATTER MORE THAN YOU THINK

**Family business owners are typically disciplined when it comes to Revenue compliance. However, employment legislation is often treated more informally. That gap rarely shows itself until the stakes are highest - a Workplace Relations Commission (WRC) inspection, a dispute with an employee, or a sale process.**

What is often underestimated is that employment obligations apply equally regardless of scale.
A business with five employees is subject to the same obligations as one with five hundred. Smaller organisations are more likely to rely on informal arrangements where gaps in compliance can go unnoticed until they are examined more closely

> "A business with five employees is subject to the same obligations as one with five hundred.

## CONTRACTS AND PAYSLIPS

One of the most common weaknesses is the absence of clear, written contracts of employment. While this is a statutory requirement the more significant issue is the ambiguity it creates. In family businesses in particular working relationships are often built on trust and long-standing understanding rather than formal documentation. That works well in stable conditions. It is far less effective when circumstances change, especially across generations or when employees exit the business.

Similarly, payslips are a basic but sometimes overlooked requirement, particularly where payroll processes have evolved informally. Failure to provide them is a breach of legislation and can quickly escalate into a formal complaint, triggering external scrutiny.

Our self-service portal provides employers with real-time visibility of payroll reports and enables employees to access payslips immediately. This is increasingly important given how often payslips are required for mortgage applications and grant assessments.

**1 IN 5**
cite attracting and retaining talent as a key challenge

## MORE THAN ADMINISTRATION

Payroll is often viewed as an administrative function. In reality it is an area of ongoing compliance shaped by frequent legislative change and detailed rules. Developments such as auto-enrolment, changes in benefit treatment, and evolving reporting requirements mean that keeping payroll accurate requires active oversight.

In the lead-up to auto-enrolment we spent over a year working with clients to prepare for its introduction. Even with that level of focus it highlighted how easy it is for businesses to underestimate the complexity of payroll-related change.

The importance of robust payroll practices becomes clear under scrutiny. During a WRC inspection the ability to produce accurate and complete documentation can reduce both risk and disruption.

The same applies in a transaction context where employment records are closely examined as part of due diligence. Gaps or inconsistencies at that stage can delay or complicate a deal.

## WHEN IT MATTERS

Payroll data is among the most sensitive information a business holds, and its accuracy underpins both compliance and trust. For family businesses where relationships and reputation are central, weaknesses in this area can have wider implications beyond the immediate issue.

Payroll and HR compliance rarely feel urgent until they are. The real risk lies not in daily operations but in moments of scrutiny when regulators, employees, or potential buyers focus on the details. At that point the quality of what sits beneath the surface becomes visible very quickly.

Getting the fundamentals right early is not simply about compliance. It is a clear indicator of how well a business is governed and prepared for the future.

**Martin Glennon**
Head of Financial Planning

# PROTECTING OWNERSHIP CONTINUITY IN MULTI SHAREHOLDER FAMILY BUSINESSES

**Family businesses often evolve over many years, with ownership gradually spreading across siblings, cousins, and sometimes multiple generations. This can work extremely well, until a major event forces the family to confront questions that were never formally addressed. The death of a shareholder is one of those moments. It can change the balance of ownership, create unexpected tax liabilities, and put pressure on relationships at a time when the family is already dealing with loss.**

## WHERE DO THE SHARES GO?

When a shareholder dies, their shares form part of their estate. Unless there is a specific agreement in place, those shares pass according to the Will or intestacy rules. This can lead to outcomes the family never intended, such as a spouse or non active family member inheriting voting shares, and tension between those working in the business and those who are not.

A shareholder agreement is essential. It should set out who can hold shares, whether surviving shareholders or the company have first refusal, how shares are valued, and the process and timeline for any buyout. Without one, the family is left navigating these questions under pressure, at exactly the wrong moment.

## FUNDING A BUYOUT

Even with a clear agreement, how is the purchase of the deceased shareholder's shares to be funded? Common approaches include:

- Life assurance to provide liquidity
- Cross option agreements to allow either side to trigger a buyout
- Company share buybacks
- Building a contingency reserve within the business.

The aim is to avoid a situation where the business must borrow heavily or sell assets simply to facilitate a transfer of shares.

## KEY TAX EXPOSURES TO PLAN FOR

**Families should always take specialist tax advice, but these issues arise consistently in multi-shareholder businesses:**

**Business Relief** can reduce the taxable value of shares by up to 90%, but only where conditions are met. Passive assets, changes in activity, or poor structuring can cause the relief to be lost entirely.

**Capital Acquisitions Tax (CAT)** will arise for beneficiaries receiving shares as part of an estate. The liability depends on the relationship between the parties and the value of the shares at the time of transfer.

**Capital Gains Tax (CGT)** can arise on certain types of share buybacks and needs to be considered as part of any buyout structure.

Early planning keeps these exposures manageable. Left too late, they can become the deciding factor in whether a transfer is viable at all.

## GOVERNANCE AND DECISION MAKING

A shareholder's death can expose gaps in governance, particularly where roles and responsibilities were never formally documented. Issues that commonly arise include who has authority to make decisions and how the business continues operationally if the deceased was also a key manager. A clear governance framework, ideally supported by a family constitution or charter, helps maintain stability.

## THE NEXT GENERATION

Families often struggle with how to treat children fairly when only some are involved in the business. There is no single right answer, but options include:

- Leaving shares to active children and using other assets to balance inheritances
- Creating voting and non voting share classes
- Using trusts to manage ownership transitions over time.

These decisions are as much about values as they are about numbers.

## PREPARING FUTURE OWNERS

Successful transitions happen when the next generation is prepared, not just named. That means gradually bringing successors into financial and governance conversations, giving them real responsibility before they have full authority, and agreeing clear expectations around roles early enough that they can be tested and adjusted. The plan should be reviewed regularly - families and businesses change, and a succession framework that made sense five years ago may not reflect where things stand today.

## THE VALUE OF COORDINATED ADVICE

Family businesses typically work with several advisers, including an accountant, a solicitor, a financial planner, a tax specialist. When those advisers work in silos, technically correct advice in one area can create an unforeseen problem in another. A legal structure that works on paper can carry a hidden tax consequence. A financial plan built without reference to the shareholder agreement can leave gaps at the worst possible moment. Ensuring all parties are aligned avoids conflicting advice and gives the family a coherent plan.

When the goal is keeping the business in the family, the advice holding it together should be too.

CASE STUDY

# Owennacurra Pharmacy

## WHEN PHARMACY SECTOR EXPERTISE MATTERS

**BUSINESS NAME**
Owennacurra Pharmacy

**OWNER**
Nicky & Shane Quill

**FOUNDED**
2007 | 1st Generation

**LOCATION**
Cork

**INDUSTRY**
Pharmacy

**When Nicky Quill and her husband Shane opened Owennacurra Pharmacy in Midleton, Co. Cork in 2007, they were focused on building a business from the ground up. Shane, a pharmacist, ran the dispensary. Nicky, a chemical engineer with a background in project management, handled everything else.**

They ran a tight operation and grew the pharmacy into one of the busiest in Cork. What they didn't have, until a change of circumstances brought them to *ifac* in 2021, was a clear view of how the business measured up to its peers.

The Quills came to *ifac* following the sudden passing of their previous accountant. It was a difficult moment but it prompted Nicky to look carefully at the market and seek out someone with specialist insight. "I heard that Yvonne McCormack's pharmacy accounting expertise would be invaluable to us," Nicky recalls. "She had knowledge of the sector and understood the challenges we faced."

### FROM COMPLIANCE TO CLARITY

Before engaging with *ifac*, the pharmacy's accounts were largely compliance driven. "We had no idea where our staffing levels should be as a percentage of turnover, whether our gross and net profit were in line, or whether our stock holding was too high," Nicky recalls. "Once we started working with Yvonne, it really opened our eyes."

Yvonne McCormack, Partner at *ifac*, works with a large number of pharmacies across Ireland. That breadth of experience means she can precisely benchmark a client's performance. "We know what a given pharmacy's gross profit percentage should be based on its sales mix," Yvonne explains. "We can look at areas like vaccinations or blood pressure services and say, based on what similar pharmacies are doing, here's where you might be leaving something on the table."

For the Quills, the benchmarking exercise delivered a reassuring verdict. "I was surprised to learn that we were more or less where we should have been," says Nicky. However, the work with the team at *ifac* also identified areas to tighten further, particularly around bookkeeping and tracking the sales mix year-on-year.



## BEYOND THE NUMBERS

*Ifac* also handles payroll for the pharmacy and has brought in wider expertise to support the couple's personal financial planning. They are now working towards a structured long-term exit or succession plan by making the business progressively leaner and more transferable. According to Nicky: "I know the roadmap now. I've been given a clear objective and I'm working towards it month by month."

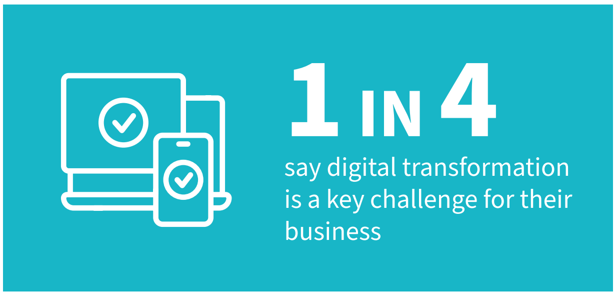
Yvonne points to the constantly shifting regulatory landscape as one of the key reasons why *ifac's* expertise matters. The HSE regularly adjusts fees and scheme terms and the cumulative effect on margins can be significant. Staying on top of that requires advisers who are not just processing the numbers.

"Industry insights and knowledge of sector norms are invaluable," Nicky adds. "You have to buy smarter and mind the pennies. You need someone who notices when something is out of line and who wants to understand why."

**Amy Ward Whelan**
Director

# WHY HALF OF FAMILY BUSINESSES MAY BE SLEEPWALKING INTO AN AI-SHAPED FUTURE

**When we asked 219 business owners what impact AI would have on their competitiveness over the next twelve months, the most striking finding was the majority in the middle. 53% said they expected no real change, leaving more than half of family businesses watching from the sidelines.**




## A CLEAR SPLIT

Our survey reveals two distinct mindsets. Roughly one in three (35%) believe AI will increase their competitiveness, with one in ten expecting the impact to be significant. A slim but notable 12% believe it will actually make them less competitive, perhaps recognising that rivals are pulling ahead.

Businesses that have already increased their investment are overwhelmingly positive about the potential impact of AI. 68% of those who upped their spending expect AI to boost competitiveness. Larger firms with ten or more employees (56%) and those turning over more than €1 million (50%) are also significantly more likely to see opportunity. Exporters outpace non-exporters, 39% to 32%.

## THE BARRIERS ARE PRACTICAL

The biggest obstacles to digital transformation are distinctly SME-shaped. Investment cost tops the list, cited as a top two barrier by nearly half of respondents (49%). Close behind are the time required to plan and execute (37%) and uncertainty about return on investment (37%). Lack of knowledge (29%) and access to skills (27%) round out the picture. For a family business where the owner is also the operations manager finding time for an AI strategy is a capacity issue.

## WORKFORCE STEADIER THAN HEADLINES SUGGEST

Three-quarters (75%) expect staff numbers to remain unchanged over the coming year. When asked specifically about AI's impact on headcount, 53% anticipate no material change. One in five (20%) do expect AI to reduce jobs, primarily by avoiding new hires rather than through.

## THE RISK OF 'WAIT AND SEE'

It's understandable that many in that 53% look at AI today and think it doesn't yet apply. Transformation accumulates over time as a family business adopts small efficiencies such as faster quoting and smarter stock management. The active businesses who see AI boosting competitiveness are simply experimenting with one tool or automating one process. Over a twelve to eighteen month period, those marginal gains compound into a significant gap with competitors.

## WHAT FAMILY BUSINESSES CAN DO NOW

- **Start with the pain, not the technology**. Where does the business lose time, make errors, or miss opportunities? AI is most valuable as a solution to a specific problem.
- **Ring-fence small investments for experimentation**. A modest monthly commitment to one or two tools, tried for 90 days against a clear objective, builds evidence and confidence.
- **Treat knowledge as a leadership priority**. Nearly a third flagged lack of knowledge as a barrier. For owner-managers this means allocating even a few hours a month to understanding what's possible and what peers are doing.

> "For a family business where the owner is also the operations manager, finding time for an AI strategy is a capacity issue.

## LOOKING AHEAD

Family businesses have survived recessions, pandemics, and generational transitions. That resilience works best when it's forward-looking. The 35% who see AI as a competitive advantage have simply started asking the question. The real risk for the 53% isn't overnight disruption. It's that in twelve months' time they'll wish they had started today.

**Amy Ward Whelan**
Director

# SUSTAINABILITY IS A STORY YOU’RE ALREADY LIVING

**Family businesses have genuine community roots, real relationships, and a way of operating that was sustainable long before the word became fashionable. They support local GAA teams, as well as local charities, hospitals, and nursing homes. That is all sustainability in action, and it matters because stakeholders are starting to ask questions that some businesses aren’t yet ready to answer.**

## MORE THAN THE ENVIRONMENT

The biggest fixation for most people when they think of sustainability and the environment is ‘we have to be zero emissions’. While reducing energy use is probably the most practical win-win, people lose sight of the value of their community engagement.

Sustainability is a three-legged stool; environmental, social, and governance. The social leg is the one most family businesses have been investing in for years without claiming credit for it. As well as looking after their employees and communities, the responsibility and onus to reduce waste and cut costs wherever possible is felt more acutely in small organisations, and therefore they are most likely already managing their resources as efficiently as possible. They are simply not telling that story.

## BEYOND THE BUZZWORDS

Sustainability has developed a reputation as territory for spreadsheets, certifications, and acronyms. Strip away the jargon and what you're left with is something much more holistic. Sustainability encompasses environmental metrics but also community, governance, and the everyday decisions that define how a business interacts with the world around it.

If sustainability is completely new to your business, it can be difficult to know where to start, particularly on the accreditation side. It's less overwhelming if you simply want to start talking a little more about what you're already doing. Talk about the firm's good deeds on your website and social media channels, as this illustrates your firm's integrity. And for the new customer who doesn't know you yet, that visibility matters enormously.

## START WITH YOUR BILLS

The environmental piece matters, and a good place to start is by examining your expenditure. Look at what you're paying for your energy, heating, and waste. Map that out across the year and then do small projects around how and where you can cut back. This saves money and reduces emissions.

Take advice when the time comes to produce something more formal, such as a report, a credential, or evidence for a bank or a supplier. There is no universal template, and the right pathway depends on your industry, supply chain, and where you want to go.

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Sustainability data only makes sense when there is a baseline. Choose one and set a goal. Without both, you cannot measure progress, and without progress you cannot tell a story.

## TALK TO YOUR BANK

Ask your bank questions too. In my experience they are far more willing to engage and assist than most businesses expect, particularly if you can show that you've already started collecting data. Recognised frameworks like ISO 50001 for energy management and ISO 14001 for environmental management are worth understanding - they provide structure and, increasingly, credibility with banks and larger customers.

## PROGRESS, NOT PERFECTION

Sustainability data only makes sense when there is a baseline. Choose one and set a goal. Without both, you cannot measure progress, and without progress you cannot tell a story. However, remember too that sustainability isn't perfection. It's the honest acknowledgement that you're trying, measuring, and moving, even slowly.

# About *ifac*

*Sound advice, independent solutions*

We understand that every family business is different. What you've built carries more than commercial value - it carries relationships, reputation, and in many cases, a family's entire financial future. Our job is to make sure the decisions you take today protect what matters most, now and for the generations to come.

With over 50 years of experience and more than 30 offices across Ireland, *ifac* works with 9,000 SMEs and family businesses, 3,000 agrifood companies, and 18,000 farm families. Our roots in local communities mean we understand the realities of running a business in Ireland from the inside.

## OUR SERVICES

**Succession and Tax Planning** Passing a business to the next generation is one of the most consequential decisions a family makes. We help you structure the transfer in a way that protects value, minimises tax exposure, and preserves relationships.

**Corporate Finance and Exit Planning** Whether a trade sale, management buyout, or Members' Voluntary Liquidation, the best outcomes require preparation that starts years in advance. Our corporate finance team, including Friel Stafford, guides you through valuation, deal structuring, and negotiation.

**Banking and Finance** Accessing the right funding at the right terms can make the difference between a good growth plan and a great one. We help you build the case for finance, navigate the options, and negotiate terms that work for your business and your family.

**Financial Planning and Pensions** A succession or exit plan is only as strong as the personal financial plan behind it. We help business owners plan for retirement, structure pension provision, and ensure the wealth created over a lifetime is protected and transferred efficiently.

**Management Accounts and Fractional CFO** Annual accounts tell you where you've been. Our fractional CFO service gives growing businesses real-time financial visibility, cashflow forecasting, and strategic financial discipline, at a fraction of the cost of a full-time hire.

**HR and Payroll** Employment legislation carries the same obligations for a business with five employees as one with five hundred. We keep you compliant, informed of changes before they take effect, and prepared when your records are tested.

**Sustainability and ESG** Sustainability is a story most family businesses are already living. We help you measure what you're doing, frame it effectively, and build the credentials that banks, customers, and partners are increasingly asking for.

**Exporting and International Growth** Cross-border growth is a structural decision, not just a commercial one. We help you navigate the tax, VAT, and compliance implications of international expansion before they become problems.

**Food and Agribusiness Advisory** Our dedicated advisory team works with food businesses on strategy, marketing, retail positioning, market entry, sustainability, and access to funding.

Certified B Corporation

Independent Member of PrimeGlobal

## TALK TO US

The articles in this report cover the questions we help clients answer every day. If any of them have raised a question about your own business, we'd welcome the conversation.

With over 30 offices across Ireland, there is an *ifac* team close to you.

**1800 33 44 22** **www.*ifac*.ie**

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# A team of dedicated experts.

With over 30 offices across Ireland, our clients have access to a network of expertise across a broad range of sectors - from agribusiness and farming to renewable energy and food production. Our roots within each of our communities means we have deep local understanding and knowledge.

Speak with one of our team and see how we can help your business grow. Contact us on **1800 334422** or visit **www.ifac.ie**

**OUR OFFICES**

**Leinster**

Fitzwilliam Place, Dublin 2
Carlow, Co. Carlow
Danville, Co. Kilkenny
Enniscorthy, Co. Wexford
Mullingar, Co. Westmeath
Naas, Co. Kildare
Portlaoise, Co. Laois
Trim, Co. Meath
Tullamore, Co. Offaly
Wicklow, Co. Wicklow

**Connacht**

Athenry, Co. Galway
Balla, Co. Mayo
Collooney, Co. Sligo
Roscommon, Co. Roscommon

**Munster**

Bandon, Co. Cork
Blarney, Co. Cork
Cahir, Co. Tipperary
Carrick-on-Suir, Co. Tipperary
Castleisland, Co. Kerry
Charleville, Co. Cork
Dungarvan, Co. Waterford
Ennis, Co. Clare
Castletroy, Co. Limerick
Mallow, Co. Cork
Nenagh, Co. Tipperary
Skibbereen, Co. Cork
Templemore, Co. Tipperary

**Ulster**

Cavan, Co. Cavan
Monaghan, Co. Monaghan
Raphoe, Co. Donegal

**Specialist Services**

Audit
Company Secretarial Services
Corporate Finance
Corporate Recovery
Farm Support
Financial Planning
Food & Agribusiness Advisory
Payroll Services
Tax Advisory

#*ifac*Report

Stay in touch for updates and news:

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