

GOOD LIVING: FINANCIAL PLANNING FOR THE HEALTHY, WEALTHY AND WISE.

A return to the family business

For some, serving the family enterprise is the right fit

Like many children of family business owners, Shelley Porritt developed a completely unrelated career before finding her way back into her parents' realty business.

It wasn't a path she would have predicted, she says. "I fought it tooth and nail in the beginning," she says. "I grew up in the business, and I saw the hours my parents worked. I have always been involved in sales in some way, but as a real estate agent, you also have to be very empathetic and supportive. Real estate is generally the single largest purchase in people's lives, so there is a lot of emotion involved."

Porritt's great uncle, Hector Porritt, started the business in 1955, and her father, Carl, joined him as a salesman soon after. In 1975, Carl Porritt took over, with the help of his wife, Liz Porritt. "My mom ran the office until she was licensed to sell real estate in the late 1980s," says Shelley Porritt.

After becoming a photographer and operating her own business for a number of years, Porritt realized that she was working the long hours she'd seen her parents work. "At about the same time, I overheard my parents talking about what would become of



PHOTO: KIM JEFFERY

With the many demands of running a thriving real estate business, Shelley Porritt (right) and her family colleagues at H.G. Porritt Real Estate Inc. rely on professional advisors, such as Michael Collymore (left) to help them with aspects of their personal lives they don't have time to attend to themselves. Collymore says for family business owners, matters such as personal financial planning, insurance and having a partnership agreement and a succession plan in place are essential. Porritt says the Porritts' relationship with Collymore allows them to "focus our energy on our business."

the business when they retired. My uncle put his heart and soul into it, and my par-

ents did too."

Soon after, she presented her parents with a big sur-

prise: her real estate licence. "I thought I'd try it for a year and see how it went, and I

found I loved it. I really enjoy working with the other realtors, and even more so with my clients, a lot of whom have become personal friends. In fact, two of my former clients who became personal friends are now working with us as realtors."

Learning to manage all of the facets of realty isn't something that can be studied in university, says Porritt, who has now worked in the family business for more than 12 years. "I learned from my parents. I literally became their shadow, watching and learning – everything from how to run an office, including payroll, accounting and managing staff, to all of the issues relating to our clients' needs.

"I took over a few years ago, but my mother and father are still in the business, so the three of us work together every day. We're still a family-owned and operated real estate firm, three generations and 53 years later."

H.G. Porritt Real Estate Inc. now includes a team of nine realtors and three support staff, and has received the Etobicoke Guardian Readers Choice Awards for Best Real Estate Agency for the last four years. "We've been very fortunate," she says. "We've survived the downs and have benefited from the ups. We contribute as much as we can to our community – and they have supported us."

With the many demands of running a thriving real estate business, the Porritts rely on professional advisors to help with those aspects of

Make time for financial planning

For small business owners, finding the time to attend to personal financial planning can be a challenge, says certified financial planner Michael Collymore. "It's important to diversify your assets. For real estate professionals, for example, real estate can be a great investment, but you'll also want to include other asset classes the your portfolio to mitigate risk."

Strategic income planning can help to maximize RRSP contribution room and minimize taxes through a combination of salary and dividends, he says.

Up-to-date insurance is also essential, says Collymore, both for the business and the entrepreneur's family. "Individual life insurance policies, disability coverage and critical illness policies can help the business survive the loss of one of the key principals. As with your will, insurance should be reviewed at least every three years, because things change. Your business can grow substantially from year to year, and that needs to be considered in your planning."

their personal lives they don't have time to attend to themselves. In regard to financial planning and investment, says Shelley Porritt, "I know the basics, but I feel confidence in (certified financial planner Michael Collymore). He has worked hard to earn our trust, and now we recommend him to everyone."

For family business owners, says Collymore, personal financial planning is essential, but it can be challenging to find the time. "Professional advisors can help ensure that the essentials are attended to – just looking at a personal net worth statement on an annual basis is so important, particularly as family members get closer to retirement; as well as ensuring that insurance is up to date, that there's a partnership agreement in place and a succession plan to ensure a smooth transition."

"It's not like we can ignore our investments, but we have confidence in his advice," says Porritt. "He's allowed us to focus our energy on our business and not worry about it."

That focus is an essential element of long-term success, she says. "The power of a family-operated firm is the ability to achieve a certain trust level – our clients know that they can count on us. Somewhere between 90 per cent and 95 per cent of our clients are either referrals or repeat business – and our family has worked for 53 years to achieve that."



Stop the market rollercoaster. I want off.

Had enough of the market's sudden drops and hairpin turns? Get growth potential and guarantees on your capital. To learn more, visit standardlife.ca/ideal/en or talk to your advisor about Standard Life's **Ideal Segregated Funds**.

For the financial realities of life.

Retirement

Investments

Insurance

The Standard Life Assurance Company of Canada

Plan on succession

"Our surveys indicate that over 70 per cent of small business owners do not have any kind of succession plan," says Catherine Swift, CEO of the Canadian Federation of Independent Business, "despite the fact that the demographic trends indicate that there will be a huge wave of succession over the next 15 years."

Most business owners who do have a succession plan indicate, in CFIB surveys, that it is "informal." "They've got something in mind, but it isn't a written plan. We recommend a written plan, of course, and have prepared a guide in conjunction with the Canadian Association of Chartered Accountants to support that process."

Entrepreneurs often feel that succession planning isn't something they have to think about if retirement is five or 10 years away, says Swift. "But what happens to your business if something happens to you tomorrow? You don't just plan for the predicted succession, you also plan for illness, for the unpredictable."

For more information, visit cfib.ca.

This supplement produced by Lori Bamber (www.randallanthony.com) for The Globe and Mail. Project Manager Richard Deacon (rdeacon@globeandmail.com).