

Spouses rank as most trusted business partners

Spouses have topped the rankings as the most trusted people to go into business with, according to research by small business insurer More Than Business.

The new research commissioned in conjunction with Warwick Business School revealed a swing away from setting up traditional family businesses, made up of parents, siblings and offspring, in favour of husband and wife teams.

Half the UK population (50%) would choose to go into business with their spouse/partner rather than their own flesh and blood. Spouses came in ahead of parents (17%), friends (10%), offspring (seven per cent), siblings (six per cent) and extended family (three per cent), with a severe lack of trust for existing colleagues evident at just two per cent of the vote.

It is estimated that family firms account for 65% or three million of the total 4.6 million private sector enterprises in the UK economy, according to the Institute for Family Business. With a surge in the number of new businesses expected to start up in the year ahead as a result of a spike in redundancies, the all important decision about who to enter into business with has become a hot issue for many budding entrepreneurs.

Choosing the right business partner can be the difference between make or break, but it can also have far reaching consequences on friendships and families. The study found the main driving factors for setting up a family business were the desire to have more flexible working hours and to create a united sense of purpose.

Head of More Than Business, Mike Bowman, said: "Picking a business partner can be one of the toughest decisions you will ever have to make. If you think getting married is stressful, think about this: you will be spending nearly double the number of waking hours working with your business partner than you will with your spouse. That's probably why for many it makes perfect sense for couples to go into business together."

Bowman warned that although husband and wife business teams can be extremely successful, there is a risk that comes with combining business with your personal life. The research found the chance of business disputes affecting personal relationships was seen as the biggest disadvantage of working for a family business.

"Couples going into business together need to be very tough and be experts at separating work life from their family life," he continued. "If the relationship breaks down then chances are the business will too, and vice versa. It is well-known that something like half of all new marriages end in divorce these days and the failure rate for small business start-ups is just as high."

Stephen Roper, professor of enterprise at the Centre for Small and Medium Sized Enterprises, Warwick Business School, said: "The key factor in successful business partnerships is having different skills and personal attributes. The old saying says that in love 'opposites attract'. The same is probably true of successful business partnerships.

"It's quite concerning to see so few people are likely to enter into business with their siblings and offspring these days. With so few people likely to work with their sons, daughters and siblings, one cannot help but wonder what the future holds for the survival of the traditional family business as we know it. The only consolation is that even fewer people are likely to set up a business with existing work colleagues and strangers."

The research showed that in the current economic environment, working for a family-run business is seen as the most high-risk for job security. Being employed by government, a large firm, a not-for-profit organisation or charity all ranked higher than a family business.

Going into business with your spouse might seem to be asking for trouble but it can be a real success. There are some simple questions you should consider though before you start.

1. Do you share the same interest and passion in the business product or service?
2. Can you go back smoothly to your husband and wife roles after a day's work?
3. Do your attributes and skills compliment each others?
4. Do you have the right business connections?
5. Do you share the same goals and aspirations for the company?
6. Are you both financially savvy and equally ready to manage the burden that often comes when launching a new business?
7. Are your business roles clearly defined?
8. Do you have different hobbies or friends? (Taking part in a hobby outside of work and away from your partner can provide a break.)