



**BANKERS
ASSOCIATION**
OF TRINIDAD AND TOBAGO

**STRAIGHT
OFF THE
BATT!**



—NEWSLETTER—
ISSUE #1

Family Business\$\$



MAR 2022



Have
a look!





**BANKERS
ASSOCIATION**
OF TRINIDAD AND TOBAGO

BATT's Mission

The Mission of the Bankers Association of Trinidad and Tobago is to play a core role in the growth and stability of the financial sector, through advocacy and representation; and to facilitate the provision of the most competitive banking products and services to our customers, with integrity and transparency.





EXECUTIVE DIRECTOR'S WELCOME



Greetings.

As always it is an absolute pleasure to welcome you to our Straight Off the BATT, particularly this year as the Association celebrates its 25th anniversary.

Over the years, we have collaborated with a broad family of stakeholders, such as yourself, who have made our work engaging, rewarding, and purposeful. It is that engagement which has supported our success in achieving our mission and purpose. We are truly grateful to our community partners, especially the business sector for the tenacity they have shown in saving lives and livelihoods over the past two years. Indulge us thus, in this issue, to open our anniversary year with a focus on business – the family business.


They come in many models and sizes, from a small-family owned business to a conglomerate and all formulations in-between. Some may have been borne out of the pandemic and others may have been around for decades with their longevity the result of good governance, decades of experience, seasoned wisdom, trial and error, dedication and determination to pass on a family business from one generation to the next.

Whatever the dynamics, our newsletter offers some valuable tips on managing your family business.

If you would like to understand how to transition control of your business to the next generation to ensure the continuation of legacy, read our - **On the BATT Burner** which examines the theme Smart Succession Planning for Family Business. Also in this issue, we offer tips on how our children can save money and build a plan that gives them a head-start on financial literacy.

Extra, Extra, Read All About it! Unlimited US dollars for sale. Screech...Pump the brakes. Have you been scammed in an attempt to purchase US dollars by unauthorized dealers? Questions about USD online scams? We've got you covered in this newsletter having put together some important information on these scams to which more people fall prey than ever imagined. It's an absolute must read.

Finally, don't forget to follow us on our social media channels. If you are not a Facebook user but want to be able to view our recorded financial literacy sessions, we've got you!

Just click here 

As always, we have much insight and interesting pieces for you to read and enjoy...right here.

Until next issue!

Kelly Bute Seaton



On the BATT BURNER



Question:

I have been in my family-owned manufacturing business since 20 years of age. Over the years, with the support of my now retired parents, I was exposed to multiple roles, ranging from packing boxes to marketing and branding and now to the position of Chief Executive. I am now 50 years old and want to retire by 60 (if not before) in order to pursue other life-long interests. I hope to pass the CEO's chair to my eldest daughter who has demonstrated keen management ability and a passion for the business. What are the key elements that I should put in place now as I seek to pass the business on?

Answer:

Congratulations on your impending retirement and cheers for being proactive in this process of preparing the business for a generational change and transitioning the management and the ownership of the business. I imagine that having served integral roles in the family business for several decades that this process of preparing the business for a generational change is bitter sweet, emotive and perhaps a tad daunting. Do know that by thinking ahead of your exit, having a willing and apt successor and a succession plan, sets the business you have worked so hard to build for ongoing success.

As you start considering succession, there is much to consider. Here's a checklist to get you started:



1. Identify your successor/s

You have already identified your daughter to step into the CEO's chair. But what if she is not keen on this undertaking? Some key questions to consider in this regard are:

- Clearly communicate family succession intentions.
- Ascertain which family member, other than your daughter, is willing and able to take on the successor role and continue to successfully run the company.
- If the capability for the business to successfully continue does not lie within the organization or if your daughter or other dependants are not interested in assuming the reins of the business, you may need to look externally for the necessary skill set. While you may prefer family successors to non-family, there may be a high-performing employee who knows the business, has an aptitude for leadership, is committed and is interested in an ownership role.



2. Consult key experts

- Successful succession planning will require the support of a range of experts. These are your accountant, lawyer and banker who will ensure a smooth transition when the time comes for you to exit your business.
- Your accountant will help analyze the current financial situation of the business.
- Your lawyer will make sure all relevant legal concerns have been addressed.
- And your banker will understand and can advise on highly sensitive matters of your business and help devise and revise your succession plan.

On the BATT Burner continue>>



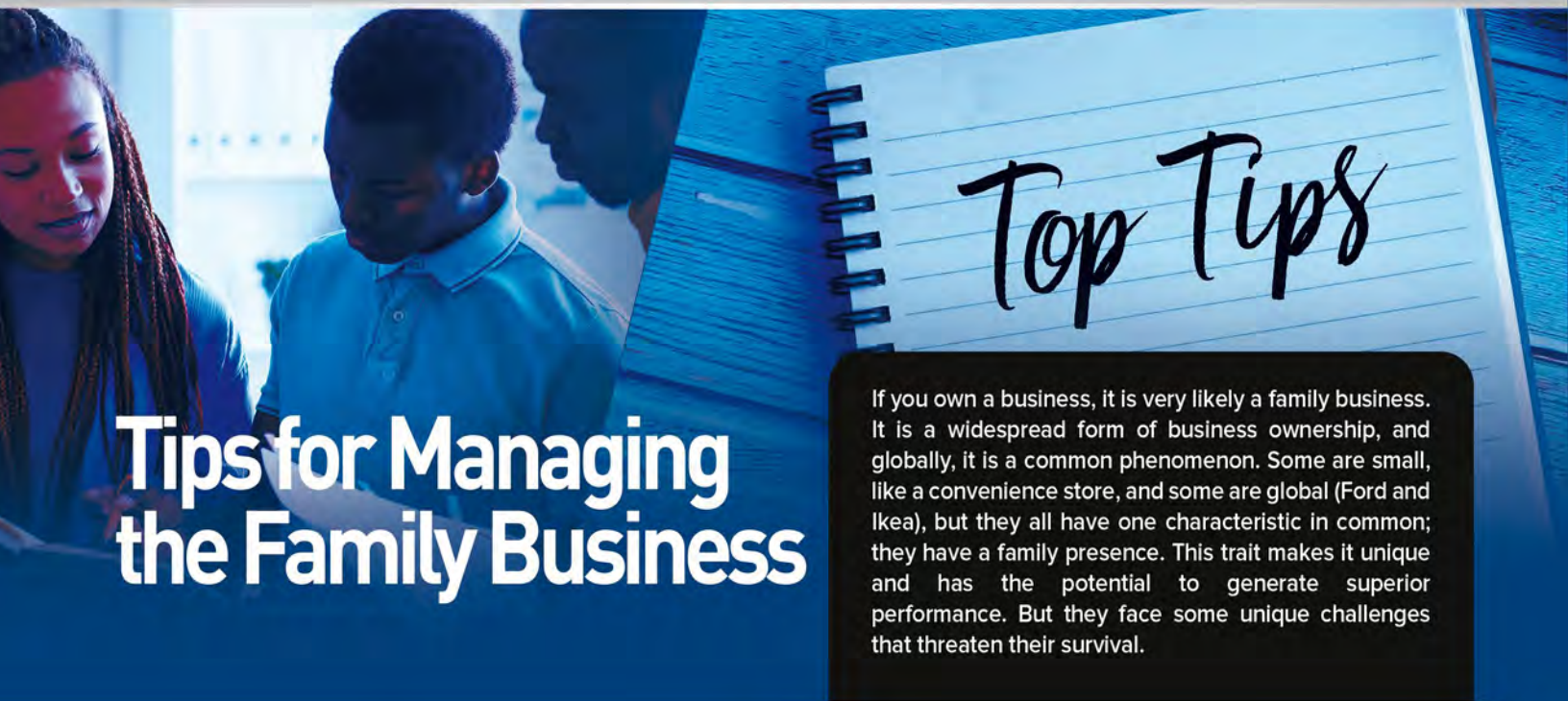
3. Formally document a Business Continuity Plan

- You want to ensure that your company continues to operate as well as it did under your stewardship, and this requires preparing a business continuity plan.
- Your plan should include an outline of the positions, expectations, and responsibilities your successor will fulfill.
- It should also document institutional knowledge, procedures and operations. This ensures that knowledge leaving the organization is properly and thoroughly captured and transferred to the next generation of workers reducing ambiguity in your absence.

4. Timelines

- Establish clear timelines for implementation of the succession plan, for management succession and for full transfer of responsibilities. In short – when will the management succession process start and when is it expected to be completed. If you are unable to accurately predict the timing, that’s ok. What is important is to have target timelines so that everyone can work toward it.
- Finally, let’s be clear - succession planning is an evolving process which can change as the business circumstances and players change. It is not an event. You have made an excellent start by starting to plan early for this process and to mentor your successor.

Good luck and best wishes as you prepare for another exciting chapter of your life!



Tips for Managing the Family Business

If you own a business, it is very likely a family business. It is a widespread form of business ownership, and globally, it is a common phenomenon. Some are small, like a convenience store, and some are global (Ford and Ikea), but they all have one characteristic in common; they have a family presence. This trait makes it unique and has the potential to generate superior performance. But they face some unique challenges that threaten their survival.



1. Lack of strategic planning:

Getting the family together and writing a long-range plan can have everyone on the same page. While strategic planning in a family enterprise is different from its non-family counterparts, it still requires the organization to align itself to the changing environment. It also can deal with the different risk profiles and preferences of each family member.



3. Conflict:

Given the nature of families in business being both managers and shareholders, disagreement can be higher than non-family firms. One of the simplest and most effective governance tools is the family meeting. Families that sit at the dinner table (or in the board room) can resolve differences. It is not about eliminating disparities but about having an environment of constructive conflict. Families with harmonized relations tend to have quicker and better decisions.



2. Lack of a succession plan:

It is suggested that families in business fail at an alarming rate. When families ignore succession planning, it is a big problem. Families should identify key positions and develop a continuity plan to keep the disruptions minimum. Sometimes the death of a key person cannot be replaced by a family member. The organization will then need to look to non-family members for assistance.



4. Growth:

It is common knowledge that some of the wealthiest in society own a family firm. This grouping of entrepreneurs and their ability to harness their collective intelligence makes family businesses ubiquitous and successful. However, sitting together and doing the strategic and succession plans, developing constructive conflict structures, and creating forums for discussion can create growth opportunities.

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Anti-Fraud Protection Strategies

Looking for USD? – Don't Take the Online Bait

When it comes to online fraud, people often downplay the risks thinking, "That could never happen to me". Think again. Cybercriminals are clever and crafty. They use all means to get what they want. And that's your money.

The increased tightness for US dollars has introduced new opportunities for financial scams, and in every case, the scam ends the same way – you are asked to wire money for the purchase of USD and once you do, your money, which can involve significant amounts, is gone for good.

Here's how it works.

Fraudsters will place an ad in print, on fake websites or social media sites advertising US dollars for sale. An interested and potential buyer, in need of US dollars, may reach out to the FX seller who will in turn:

- I. Offer seemingly "authentic" wire transfer details which mirrors the look and identity of an authentic wire transfer document, and which directs your funds to the cyber-criminal's bank account;
- II. Offer a confirmation code that indicates receipt of the purchaser's funds;
- III. Show "proof" that the USD funds have been transferred to the purchaser's account.

These are all **Fraudulent** as the scammer would have misled you into believing the authenticity of the transaction, and that the USD payment has been made.

Most importantly, the scammer cannot be traced or contacted after receiving your funds.

A general rule for avoiding this scam, or any financial scam, is to:

- Keep in mind that if something seems too good to be true, it probably is.
- Never transfer any money to an account owned by someone whose identity cannot be verified or you don't completely trust.
- Always execute digital and FX transactions through **official FX dealers**, that is, local banks or financial institutions as governed under the guidelines and regulations of the Central Bank of Trinidad & Tobago. Do **Not** send money to someone you have never met in person.
- Not to fall for the sense of urgency. Cyber-criminals often use a sense of urgency to instigate a wire transaction because this approach is fast and leaves little time for victims to respond or take the necessary measures to suspend the transactions.

What to do if you are a Victim?

- Contact your bank
- Report to the police for criminal investigation



LIGHTS, CAMERA
BATT



**GLOBAL
MONEY
WEEK**

Global Money Week 2022

BATT was delighted to host 112 students (Forms 4 and 6) from the Bishop Anstey High School East for the 10th edition of Global Money Week (GMW) on 22 March 2022.

In joining the rest of the world in celebrating GMW, under the theme **Build Your Future, Be Smart About Money**, BATT's virtual event was led by the affable media personality and comedian Mr. Rodell Cumberbatch, fondly known as Ro'dey.

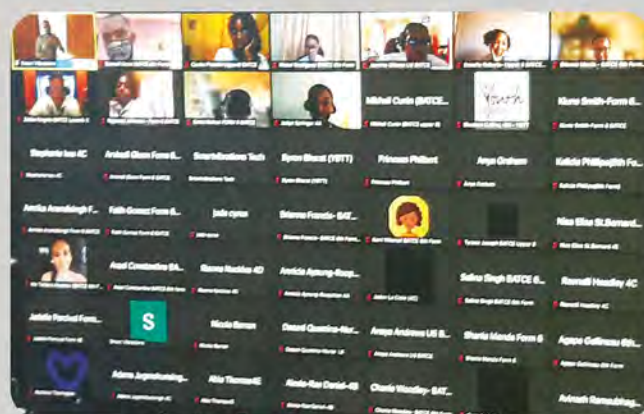
BATT's virtual session started with an exciting Business Idea Challenge facilitated by Mr. Shedron Collins, General Manager, Youth Business Trinidad and Tobago themed "Building an Entrepreneurial Mindset"

After presenting on the fundamentals of how to start a business with the Business model canvas, the students were invited to create a business in the agriculture industry. Following this the students were placed in groups and had to pitch their business idea after 20 minutes of brainstorming in their groups. The students did not disappoint as they quickly and creatively presented their unique agri-business entrepreneurship idea and model.

Congratulations go to Nickel Rodriguez and her team on the most unique presentation with their Cool Suit idea to protect farmers from UV and chemicals. Second was Stephanie Iwu and team with their "Go Green TnT " business idea. In third place was Kiune Smith and her group with the Mobile Market idea. Then Jaydon Springer decided to provide solar energy panels for farmers who were challenged with having access to electricity in the rural communities.

The program also offered useful tips on how to be smart about money and prizes were offered for answering financial education questions and participating in other fun and interactive activities.

Global Money Week has been celebrated since 2012, with the exception of 2020 due to the pandemic, and since 2021 it has been organized by the OECD International Network on Financial Education. This global initiative, which has been celebrated in more than 175 countries around the world, raises awareness among young people about financial education and increases their knowledge of money, savings, employment and entrepreneurship.





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If your organization is interested in BATT facilitating a financial educational session or an Anti-Fraud Tips and Strategy workshop, kindly E-mail communications@batt.org.tt

The Bankers Association of Trinidad and Tobago

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