

## Three Lessons 'Downton Abbey' Can Teach Us About Business

*Lord Grantham can illuminate what "not to do" when securing your financial future*

**By Tim Paradis**

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Every Sunday night at 9, I sit down with my wife and family and tune into PBS' hit show, "Downton Abbey." I must admit that when my wife told me about a great new show that was a period piece set in the early 1900s about a noble family living in a mansion on the English countryside, I did not exactly go diving for the remote. But as these things typically tend to go, my wife was right and I was wrong, and now I am hooked.

As a certified financial planner who works primarily with entrepreneurs, families and individuals, I can't help but watch every Sunday night and think of my clients. I pay particular attention to Lord Grantham and the decisions he makes on behalf of the Downton Abbey estate and cringe. But Lord Grantham is not alone. Many business owners – small, medium and large – make these same mistakes. After watching so religiously, I've found three lessons for business owners to learn from to avoid finding themselves in the same precarious spot as Lord Grantham.



### **Lesson 1: Create a business plan and make sure it evolves with your business.**

Throughout these past four seasons, we have watched Lord Grantham manage his business based on what worked in the times of yore, by looking in the rear-view mirror instead of looking at what was ahead of him. These backward-looking decisions were so poor that eventually Downton was bankrupt, saved only by an unexpected inheritance received by the passing of the ex-fiancée of Matthew (Lord Grantham's son-in-law).

But we are in New Hampshire, not Hollywood -- or even the English countryside, for that matter. More times than not, last-minute salvations are the purview of TV and the movies, not real life. Given this reality, it is curious why so many business owners cross their fingers and rely on hope instead of creating a strategic, long-term business plan. That is like waiting for money to fall out of the sky from some long-lost relative.

Too many business owners fail to evolve with the market and eventually go out of business (think Polaroid). Business plans should never be static documents, nor stuffed in a draw to collect dust. They are a central part of owning and running a business as well as being essential to its survival.

### **Lesson 2: Have a business continuity plan.**

Recently, Lord Grantham lost his co-owner and key person in Matthew after his untimely death. Matthew was the brains of the operation, and with him gone, Downton is at risk of financial ruin.

Sound business continuity planning covers a wide range of contingencies that may be needed following the loss of an owner or a key employee. How many business owners lie awake at night

wondering what would happen if they lost their three top employees and with them 60 percent of their revenue? Can their spouse or beneficiaries run the business if they die or become incapacitated? How will their partners pay their estate if something should happen?

Key person insurance and an up-to-date and funded partnership agreement are just a couple of techniques to ensure business continuity after the loss or disability of an owner or key person.

### **Lesson 3: Have a personal wealth and estate plan.**

When Matthew died, Downton was faced with significant financial hardship because he had not crafted and executed a proper estate plan.

Matthew's estate owed a significant amount of duties or taxes, and, like many business owners, his net worth was tied up in the business. As a result of little or no liquidity, the family could be forced to sell a significant portion of Downton to satisfy this obligation.

Do you think they will be able to get dollar-for-dollar value? How will they survive and acclimate to such a loss in revenue? If Matthew had created a wealth replacement trust through a proper estate plan that could have provided some much-needed liquidity for the family, this situation could have easily been avoided.

The lessons learned from "Downton Abbey" really boil down to the core issue of preparation -- or, in the instance of Lord Grantham -- the lack thereof. It is always better to have options. It is so easy to get caught up in running the day-to-day and finding yourself entrenched in the proverbial weeds. However, if you can proactively take the time to develop your plan, be it a business, financial, estate, or otherwise (preferably all of the above!), you will strongly position yourself and your family for the long-term while avoiding the travails of Lord Grantham.

Timothy ("Tim") Paradis, CFP™  
Senior Wealth Advisor  
Baldwin & Clarke Advisory Services, Inc.  
Coldstream Park  
116B South River Road  
Bedford, New Hampshire 03110  
Tel: (603) 668-4353  
Email: timp@bcasi.net

#### **About Tim:**

*Tim is a Senior Wealth Advisor and Certified Financial Planner™ practitioner with Baldwin & Clarke Advisory Services, Inc. He works with individuals and families, as well as, business owners and corporate clients to design and implement personalized wealth management plans. He is passionate about cultivating relationships with his clients, understanding their unique needs, and designing a plan that allows his clients to achieve their personal goals, take care of their family, and give back to their community.*