

Client: Hamilton Bradshaw
Source: Evening Standard (Main)
Date: 02 February 2015
Page: 40
Reach: 824515
Size: 157cm2
Value: 12096.85



HAMILTON BRADSHAW
Investing in people with passion

Give your management equity to guarantee loyalty and commitment

Ask James



James Caan

DEAR James

I own my own recruitment business and have recently promoted my top biller. I'm reluctant to offer him equity in my company, but others have suggested I do this to retain him. Do you think I should do this and if so, why?

Tom Griffin, Islington

MORE and more people have asked me this question recently, especially SME business owners looking for the best way to scale successfully. I

understand that the business is your pride and joy, and it's very difficult to give a part of it away, but in my experience, it has always been the best decision to make.

I suggest that you think very carefully about it. Is this person going to create and add value to the business? If your answer is yes, I'd advise you to share it with him because I bet that if you don't you will get a little less from him than he is capable of.

At [Hamilton Bradshaw](#), we always offer equity. I have learnt that by doing this, our management are working towards the same goals. They are much more committed, loyal and driven to succeed because they benefit when it does well.

Owning something is a great feeling, and this most definitely has a positive, knock-on effect within the whole team.

I've been in a position before where I haven't offered any equity, and typically I see lower performance and productivity. When this happens, people are more likely to move on, find something better – and before you know it, they've set up their own

business and you have another competitor with which to contend.

Not only this, but they have also taken a couple of your best clients. Equity is a very personal matter, so in

the end you're the only one who knows what's best for your business. But if you can retain a great manager and top biller for your business, I think it's worth sharing the rewards with them to ensure they stay motivated and committed to you and the business.

■ *For more expert business advice, follow James on www.linkedin.com/influencer/jamescaan*