

# Far-sighted entrepreneurs choosing prosperity over wealth

Business owners at all stages of their journey are keen to improve society as well as their bottom lines

MARK GODDARD



Many of the company founders I talk to are not simply seeking to maximise short-term profits but are looking beyond the bottom line, aspiring to achieve social goals and setting in place strategies for the future. They are making succession plans in the expectation their companies will live beyond them, and they want to improve society for their children and the generations that follow.

We find these traits – a strong social conscience and

awareness – are important drivers among millennials, the cohort of people that came of age around the turn of the 21st century. My colleague Chris Wright, in the UBS Chief Investment Office, has been looking closely at their needs. He says: “They believe that companies seeking to have a positive impact on society should be the minimum, not a differentiator. Doing the right thing for society is also the right thing for business.”

This sentiment is clear in discussions Chris and I have had with millennial entrepreneurs. Take 25-year-old Ben Francis, who launched Solihull-based fitness clothing brand Gymshark while at university in 2012, at the age of 20. He started screen printing T-shirts using supplies bought with his savings, after his grandmother taught him how to sew.

Last year, Gymshark more than quadrupled profits, to just under £8.2m, and is

ranked at No 46 on this year’s league table, but Francis says financial returns are not what drives him. “We build the products we’d love to wear and create the events we’d love to go to,” he says. “I’d rather die knowing I’ve positively affected the lives of millions than with millions in the bank.”

Another entrepreneur with a strong sense of purpose is Tristram Stuart, who in 2016 launched social enterprise Toast Ale, which reduces food waste by brewing beer from bread that would otherwise be discarded. “We use the equivalent of a slice of fresh surplus bread in every bottle, directly reducing bread waste, while raising consumer awareness of food waste in a fun, celebratory way,” he says. “As all profits go to Feedback, the environmental charity I founded to end food waste, Toast also contributes to changing the systemic causes of waste.”

Toast Ale is not alone in its



RICHARD STANTON

Gymshark founder Ben Francis, 25, left, says accruing a personal fortune is not his goal

desire to do good, says Stuart. “There is a growing movement of businesses whose raison d’être is to have a net positive benefit. There are now more than 70,000 social enterprises in the UK contributing £24bn to

the economy and employing nearly a million people.” Stuart is one of the UBS Global Visionaries, social entrepreneurs we have recognised for their plans to improve the world. They exemplify the attitudes we

find talking to business leaders in forums such as UBS’s Industry Leader Network, which offers them a platform to exchange experiences in confidence. Networks such as these are essential in allowing

business owners and entrepreneurs to take a step back, think through their priorities and ask themselves, “What’s it all for?” It is important for them to consider how they plan to exit the business, manage their wealth and protect it across generations, while still supporting themselves, as we all live increasingly longer lives. Many want to pursue personal passions, such as philanthropy, or create a legacy for their children via the transfer of wealth or responsibility.

These are important issues for Warren Ginsberg, 70, founder and chairman of the family-owned bathroom mirror manufacturer HiB (No 51). He has passed control of the company to his son, Robert, 41, who joined in 2002 and is now managing director.

“It was certainly never a foregone conclusion when Robert joined the business that he would ever become managing director,” says Ginsberg. “This occurred

over a long period of time, as he showed he had the desire and the ability.” Robert oversaw a near 72% rise in profits to £4.2m last year.

Ginsberg says: “Over the past few years, we have started to invest heavily in the careers of many of our team, so we can ensure we have the right people in place not only for today but also for the future, which looks very exciting.”

As does the future for all of the businesses featured in this year’s Profit Track 100. We know we will be celebrating the successes of these companies and their owners for many years to come – and lending a hand when we can. As one of the world’s largest wealth managers, we have a global client network whose knowledge and business acumen can be invaluable to entrepreneurs of all ages.

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