



The Seacrest Family owns WTF! – Waves, Tides and Fun! – one of the leading recreational marine companies in the Halifax region. It has a legacy spanning over 40 years and was co-founded by Finn and his brother Sandy where they each owned half of the company. Over the years the business has flourished, expanding to multiple locations, and employing 49 individuals. The economy and Pandemic have affected the business like many others, but the brand is strong and they have weathered the storm better than most.

WTF! Is primarily in boat, parts and accessories sales and service. They also do repairs and maintenance. Because it is a seasonal business, they also provide boat storage which includes getting boats to and from client's cottages, etc. They have a marina and also do some rentals. The marina has a beautiful view and a pretty big space, so they do host some events including weddings but really don't have much in the way of catering capacity. The seasonality has its challenges including keeping people in the off-season. Some like it and want to be laid off. Others are looking for steadier employment. Some don't like the long hours in the summer. The staff love Finn and are very devoted to him and thus to the business. Some have been there from the beginning and like us all are getting up there in age. Also, it is harder and harder to find people that are both trained in the mechanics of boats and related marine issues but are flexible and can jump from challenge to challenge. They have a benefit package and competitive wages but poaching of employees is always an issue. They have kicked around ideas about boat education, tours, insurance, etc. to diversify but from when the water opens up until Hallowe'en, they are going full out. In the off season they will repair snowblowers, etc. – basically small engine repair because they have a shop that they can work in and schedule season-end boat work over the winter.

More recently, Finn, who is now 66, has had a few minor health scares and he has become very mindful of his mortality although he says he is too busy to do anything about it. The family already lost his brother Sandy in a car accident. They worked hard and Finn wants to not only enjoy the fruit of his labours and move onto the next stage of his life but his wife Coral "wants her husband back". They will need proceeds and/or income from the business to fund their retirement. In the high season he is almost never around. They both want to spend more time with the grandchildren and maybe travel a bit. The question of succession looms large. At least in his head.

After the death of Sandy, Finn began to purchase the shares from his brother's wife Isla and their son Dylan who became the new owners/partners as Sandy left his share equally to them both. There was a company life insurance policy that only allowed for a 25% of the shares to be purchased by Finn. Just like the life insurance policy, there is a very simple shareholders' agreement that has not been updated since it was created. It has a shotgun clause. The remainder are acquired from "dividend" income. That is, what would have been dividends for Finn, if any, then become the proceeds used to buy Isla's shares. Some years are better than others. Also, it is affected when capital is needed for reinvestment in the firm. She has no active role in the company and their relationship is mostly via the business as a shareholder. Finn and Isla are not close and her perceptions are mostly from her observations about when Sandy and Finn would argue about things, as brothers do. Isla's son Dylan works in the company mostly as a lead hand, forklift operator, etc. in the repair and warehousing facility and is a go to person for the marina. He is very good to get along with, hard worker but is very much overpaid for the work he does but 'he is family' after all. Finn loves Dylan loves Dylan, but Dylan and Wade do not get along very well. There is enough to do and enough locations to allow them to be kept separate.

Finn and Coral have three children. The youngest Reed is a dentist and lives in Ontario and has two children. Wade is the oldest and he is the manager of one of the divisions. He grew up in the business at his father's side. He is gifted mechanically and knows every nook and cranny. As first born, it is kind of assumed that he will take over the business, but it has never been discussed. He is good at running things but is not the best with staff or customers. He is not a detail person but being mechanically inclined he can fix anything but also good as solving problems. Marina has her MBA. She has worked in other industries and has recently come back into the business moving home to be closer to family. She is presently the Assistant General Manager, and she is slowly modernizing things. When it came to the computer system, point of sale and inventory control Finn was pretty hands off (or at least passively supportive) but he is very resistive to any other changes Marina proposes to improve information flow, create efficiencies, etc. He will say "I built this business with my own hands and the way we have done things are working just fine. It paid for a good life and for all of you to start your families with house downpayments and more. Nothing needs to change that doesn't need to change. The tide comes in and the tide goes out."

Your confidential and anonymous conversations and responses to this case will be accurately captured and analyzed, forming the basis of an enlightening panel discussion in our **follow-up session**.