

## Own a Company-Not a JOB!

The fastest growing business segment in the U.S. today is the small to mid-sized privately owned company. Entrepreneurial owners are betting the ranch – guaranteeing debt, working fourteen-hour days, and generally running flat out to catch the currents of business success. Alas, for all their hard effort, all too many wind up “owning” little more than a job. Worse yet – the job you own is one without lots of security or benefits. It is also a job attached to a lot of worry and responsibility.

The object of business ownership is to own VALUE. It is to build, own, and to someday sell a company worth a great fortune. It is to win the freedom to call your own shots, to point your nose toward the most exciting new directions, and – yes – even to take off work time once in a while.

Until you build a living, breathing entity that can thrive without you, face it: you don't own a company; you own a JOB. You can, however, change all of that.

There is an old Chinese proverb, which says that the best time to plant a tree is twenty years ago. The second best time is today!

What are the key elements to that process?

### Nurture People Who Can Assume Decision Making Roles

Often the hard-charging founder of a small business has trouble “letting go” – or handing the reins over to other managers. Until that happens, the enterprise is vulnerable due to one-person dependency, and value is diminished. Look at that second tier of managers as the building blocks for your company's future. Nurture and encourage them to step up to greater responsibility. Sure, they will sometimes make mistakes. But...guess what? You do too, once in a while.

### Build Customer Loyalty At Multiple Contact Points

Customer relationships often begin with an owner-entrepreneur who over time, gradually hands off the least critical of such relationships to other sales executives. Imagine how much stronger that relationship becomes if it's rooted at many levels within the organization! It is like a tree reliant on a single taproot versus one held fast by a wide and thick network of roots spreading in many directions. For true security, add depth and breadth to the service network and do what you can to ensure that customers love many contact points within your organization.

### Document Key Technologies and Work Patterns

Most small to mid-sized entrepreneurs have relatively scant documentation on their systems and policies. This creates vulnerability as people transition, and costs time in constant small needs to recreate mechanical solutions and systems. Grow up! Write it down! There should be no element of your organization which new resources would have to “start over” in the event of lost staff.

What is your reward for all of this? Certainly it is greater solidity and security. Certainly it's more freedom for the owner. But, most importantly by far, it's value enhancement. When the time comes to sell your company, buyers want assurance that the company can continue without you. Even if you are willing to continue working, buyers will not be willing to count on that. You will never catch the gold prize if the future value of your business would fail without you.

Our firm is in the business of selling middle market companies. We often wish we could meet every client a few years before they want to sell, so that we could take that independent look as buyers do, at strengths and weaknesses for possible sale. We feel that every seller could enhance value by 25% (and some by 100% or more) if they just took an early inventory of strengths and weaknesses and included in their business plans a targeted approach in building value.

By the time you have accomplished only the few things listed above in this article, you will have built your company's value immeasurably. Own a company – not a job! Your personal flexibility and professional value will be greatly enhanced!