

## Can you work any harder?

We urge you to make this year the year that you start to get yourself and your business ready for the day you sell or transfer it. We promise to help you to do that by suggesting a series of achievable steps that you could take to change your focus to working on, rather than working in your business.

Despite our assurance that these steps will be simple and effective, we often sense a collective groan and grumbling, “So, on top of everything else I’m doing to keep my business afloat and to take advantage of new market opportunities, you want me to plan my exit? I really cannot work any harder than I am today.”

Point well taken. So let’s clarify: we are not suggesting that you work harder. We are suggesting that you work smarter. We suggest that every action you take to exploit new opportunities or every cut you make to create a leaner and meaner company, that you do so while asking: How does this action get me any closer to my goal of leaving when I want, for the amount of money I want, and leaving the company to the successor I choose?

If you can remember, when you started your company you had a vision of what you wanted it to be: what it would look like, how many employees you’d have, the quality of its product or service, etc. Dreaming was fun. A lot of the fun evaporated, however, when you got down into the trenches dealing with customer complaints, employee issues, truculent bankers and uncooperative vendors.

For a moment, we ask that you sideline these day-to-day concerns and tap into the same energy you used to create your business to now create a vision of your life after the sale. What will you do? Fulfill a lifetime dream of sailing the seven seas? Start a charitable foundation? Start a new business?

We want you to inject some of the fun of dreaming back into your life by thinking about your life after you leave your company. The path you take from this day to the day of your exit is yours alone and creating that path can seem overwhelming. As we noted in the last issue of this newsletter, rather than tackle the entire process, let’s commit to do only two things:

1. Break your distant goal of exiting your company in style and into manageable goals.



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2. Create a list of small action steps for each goal, with deadlines that, when put together, are the beginnings of the road map to your exit. (The deadlines I suggest below may not be appropriate for you. If not, choose a different, but specific date.)

If you'd like to jumpstart this process by making yourself accountable for your performance, take a third action: choose an advisor who can help you to create a roadmap to your exit and, most importantly, see that it is followed, on your timetable. Unless owners take these three steps, it is rare for them to be able to maintain the momentum and discipline to see their plan come to a happy end.

**Goal One: Make your company more valuable/saleable.** As Michael Gerber wrote in *The E-Myth Revisited: Why Most Small Business Don't Work and What to Do About It*, "there is ultimately only one reason to create a business of your own, and that is to sell it!" (pg. 152) Great! But how do you think about your business for sale when you've got a business to run?

As suggested above, break down this monumental and ever-present goal into discrete steps. Sit down and list *the areas that you believe should be addressed before your company could be put on the market*. As guidance, concentrate your efforts in four areas:

1. Maximizing Cash Flow
2. Preserving and Protecting Value
3. Creating and Maximizing Value
4. Reassessing Strategic Objectives

Think about each of these areas for 10 to 20 minutes. Make lists of tasks to accomplish in each category and jot down a target completion date for each task. For example, under the category of "cash flow" many owners list items related to tracking cash flow, reassessing their business models, projecting future cash flow and creating realistic strategies for long-term growth. Ask yourself:

- Do I know what my cash flow is? If not, quantify cash flow for the last three years and work with your CPA or CFO or other accounting professional to understand what cash flow consists of.
- Can I project cash flow for this year and next year?

**Action Item for Goal One.** If you'd like help with this project, call or email me and ask for the 16-question pamphlet titled "Meeting Today's Business Challenges." Once you complete it, we will send you an assessment (based on your rating of importance) of the greatest opportunities to increase your business's value.

**Time Deadline for Goal One.** Request the pamphlet today. Based on the direction provided by your response, a more complete action plan can be created and implementation should begin within 90 days.

We hope you'll give serious thought to working on, not in your business and put some skin in the game by taking time to list what you and your company need to do to make it valuable and, ultimately, more saleable. If you'd like help in this process, don't hesitate to call.

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