

For Business Exits, Being Inconsequential Is of Great Consequence

It's likely that few people, if any, have ever told you, "You need to make yourself less important," regarding your business. But sophisticated buyers look for businesses that can operate without their owners. Unless your goal is to sell or transfer your business, and then stay with the business as a subordinate to assure a smooth transition, you'll need to train a management staff that can run the business without you. This is the most important Value Driver you'll install, and for many owners, it's the hardest, because they aren't prepared to expend the emotional and mental energy required to remove themselves from their businesses.

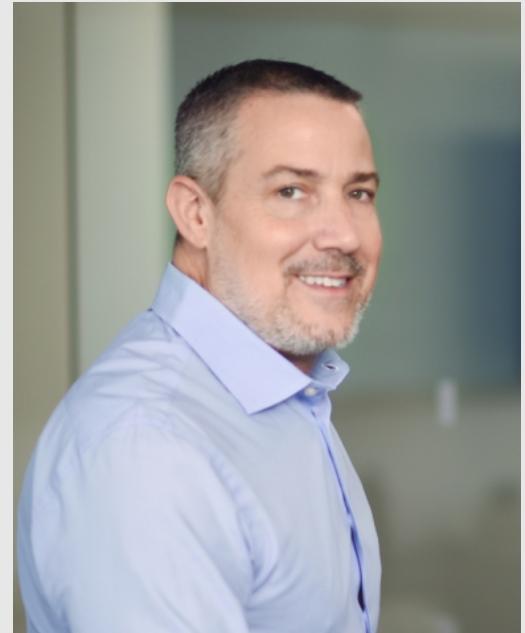
There are countless technical strategies to making yourself inconsequential to your business, many of which we've discussed in previous newsletters. But just as important as the technical aspects are the mental and emotional aspects, so let's look at some of the common mental and emotional roadblocks you might face as you make yourself inconsequential.

1. Inconsequential does not mean useless.

We usually think about the word *inconsequential* as identical to *useless*. While *inconsequential* and *useless* are similar in meaning in a dictionary, they are not even close in a business exit context. When you become inconsequential to your business, you're giving the business the chance to survive without you, rather than leaving its existence solely in your hands. Like a parent giving a child away in marriage, you are passing your most important creation into the steady hands of a well-qualified successor. Becoming inconsequential is a good thing for you and your business because it allows both of you to grow into new roles that extend your success.

2. Inconsequential does not mean forgotten.

Many owners take well-earned pride in building successful businesses, so the idea of being inconsequential—and vicariously, forgotten—is deeply troubling to them. (History rarely remembers the inconsequential.) But in terms of business exits, memory favors the inconsequential. The



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inconsequential owner knows he or she will not live forever, knows that the best companies outlast their founders, and confronts that reality by handing the baton to qualified successors. The inconsequential owner positions the business to continue when he or she leaves the helm, framing the owner as a forward-thinking founder worthy of remembrance; the consequential owner often goes down with the ship, leaving the deckhands stranded and asking, “What if?”

3. Inconsequential does mean more valuable.

It may seem like a paradox, but inconsequential owners are more valuable to their companies, their families, and themselves. Companies with inconsequential owners are worth more to buyers because they implicitly have strong management teams. This lets those owners sell their companies for top dollar, to the financial benefit of their families (or charitable organizations) post-exit. Finally, with top-dollar payment often comes the freedom to pursue other interests, increasing the likelihood of a happy, comfortable post-exit life.

Don't be misguided by the term *inconsequential*. In terms of your business exit, becoming inconsequential is supremely consequential to your company's continued success, your legacy's positive memory, and your post-exit comfort. If you'd like help making yourself inconsequential, contact us today.

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