YOU HAVE OPTIONS

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When you own a business, you have everything you need to achieve everything you want.

It's true that over the next 10 years, half of the 20 million family and closely-held businesses will face a decision on how to exit. No wonder business owners are hyped up about exit planning; and trying to figure out who to involve, what option to choose, when to start, and how to implement. However, the answers to these questions can be found somewhere else. Rather than worry about exiting, the attention should be turned to enhancing the value of your company while you're at the helm and still in the driver's seat. Take deliberate steps to enhance the value of your business before your exit to ensure your desired ROI is baked into whatever option you choose.

CASE STUDY: Such was the case for Carl, 52, and Travis, 48. For these brothers, the option they had "written off" turned out to be the answer to fulfilling their dream. The brothers co-owned a construction company that they took over after their father died unexpectedly 20 years earlier. When the brothers took over the company, it was a $4 million business; by the time they invited me to help them develop an exit plan, it was a $15 million enterprise. Their plan was to own it for another 10 years and Despite having an exit date, the co-owners had no succession plan—no one in line to assume ownership of the company. The three senior managers were reliable and competent but not capable of running the company. The company was incredibly vulnerable, and the family risked losing the value of their life's work. After learning more about the company, I discovered a real succession planning blocker. The brothers had a silent, unwritten agreement to never talk about work at home. They didn't want to concern their wives or children—they didn't want to involve their families at all. They had felt obligated to take over their father's business when he died and pride n continuing his legacy, but they were not going to saddling their kids with such a burden.

During the initial phase we:

1. broke through faulty assumptions that clouded their thinking about their exit options
2. had the company valued and looked at gaps in their expectations
3. explored their reluctance to involve the next generation, and found important stories to tell.

As the second phase evolved, the brothers were compelled to tell their story to their children. They arranged a series of family retreats, introduced the history of the company to their children, talked about the privilege of running their father's company, and why the next generation should have the opportunity if they desired. Ultimately, Carl's oldest son took a huge interest in the business and had enough time in college to refocus. Travis's daughter quickly started thinking about how her interest in business management and marketing could be used in the business someday. The company had two potential family successors— and we began to prepare them for leadership with a curriculum, assessments, and training opportunities. Three years later, the two oldest children (cousins) were working with their fathers' trying to figure out if they could really run the operation someday. Carl was thrilled about staying on with the company for the duration of the transition to the next generation, while Travis had options – which was what he felt he had lost when he joined the company. As a result of this transition planning, the legacy of the company would continue in a way the brothers never thought possible.