

WIND UP NOT DOWN

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The psychology of business is about marrying your emotion with logic so you can look at whatever lies ahead with the same confidence you bring to everything else you do in business. Dig into your psychology.

This thought keeps gnawing at you: You own a business – and you don't have an exit plan. The legal and financial risks are sizable, but you keep saying you don't have time. But it's more than that! You know it, and I know it. It's your business. It's either important to you or it's not.

Leaving your business is emotional and you don't want to face it. The way you see it, exit planning means you're done, you won't be important anymore, your life is over. It stirs up fear and anxiety over what's next, combined with the fact that you don't know how to do it. You pacify yourself for the moment by saying you'll get to it later; but all the time and logic in the world won't penetrate the power of these fears.

The truth is it's all in your head. You're facing a mental block when it comes to exit planning. You can't ignore it. If leaving something this substantial – something you built with sweat and tears – to your children, to your employees or to a worthy buyer is important then you know you have to wake up and do it right.

Here's what it takes:

Start by getting your head in the game. Emotion and logic are excellent business partners. The psychology of business is about marrying your emotion with logic so you can look at whatever lies ahead with the same

confidence you bring to everything else you do in business. Dig into your psychology.

Business psychology goes deeper than strategy. It digs into your gut, shoves a mirror in your face, and challenges your thinking. When emotion and logic come together, you make levelheaded, powerful decisions that put you in front as the leader.

Step No. 1: Get Your Head in the Game

- Wind up: Don't assume that exiting a business is about winding down. This couldn't be further from the truth. Your most important job before transitioning the company to new leaders is to position it for success for another 30 years.
- Set up: As the business owner, you'll want to set your successors up for success or you will want a buyer to pay a premium for your company. A strategic plan and a personal commitment to a formal transition process allows you to drive the quality of what you walk away with and what you are remembered for.
- Step up: Exiting your business is not business as usual. Just like building a new plant, installing a new ERP system or launching a new product, exiting your company requires capital. Expect to make a capital investment and add new resources to ensure your desired outcome.



- Wake up: Look at the situation square in the face. You are letting go, negotiating a deal, and redefining what matters. Get a coach to be your partner in this and help you build the mental fortitude, stay focused, see things clearly, be bold in the way you solve problems, and not become a problem yourself. Every elite athlete has a coach. Ambitious business owners should, too.

Step No. 2: Take the helm

You own the process. Avoid the risk of selling your company at a discount or saddling your successor with an underperforming company by being at helm.

- Build your bench: Design your talent management system to get top performance. Develop a working knowledge of your people across the enterprise so your talent decisions are always smart. Establish a philosophy, know-how, and processes to hire the right people, provide them clear direction, and prepare them for new roles as the company grows.
- Enhance value: Form an expert team to build and drive the plan with you. Work specifically with a management consultant who will focus you on increasing profitable revenue by helping you define your strategy, improve operational efficiencies, ensure financials accountability and tap the sweet spot in the market.
- Be transparent: Be transparent about your plans for company's future after you leave. Transparency of the vision will gain employee confidence as well as mitigate the risk of employees "bailing out." Often the future leader will have a bigger vision, more capital and an updated strategy to stimulate growth in ways that benefit employees.

Remember, Get your head in the game. Take control of exit planning. Coach Tom Landry says it best, "A coach is someone who makes you do what you don't want to do, who has you see what you don't want to see, so you can become who you have always known you can be." For this endeavor, perform like an elite athlete. The psychology of your decision rests squarely in your hands.