



BUSINESS VALUATION ▪ TRANSACTION ADVISORY SERVICES ▪ VALUE MAXIMIZATION STRATEGIES



YOU-PROOFING YOUR BUSINESS



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Making your business less dependent on you has a number of benefits: you can scale your company more quickly if you're not acting as a bottleneck; you get more time to enjoy life outside of your business; and a business less dependent on its owner is much more valuable to an acquirer.

Pulling yourself out of the day-to-day operations of your business is easier said than done. Here are three specific strategies for getting your company to run without you.

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1. Think Like LEGO

Pre-school children can make a collection of generic looking pieces come together in a complex creation by following the detailed instruction booklet that comes with every box of LEGO. Your employees need LEGO-like instructions to execute the recurring tasks in your business without your input.

Ian Schoen is the co-founder of Two Tree International, a design and manufacturing firm that brings products directly from concept to customer. The company was started in 2008 with a \$50,000 loan and had grown to

sales of over \$4 million and a staff of 15 employees when it was sold in 2015. Schoen credits his operating manual for allowing him to sell his business for a significant premium: "We started creating standard operating procedures in the business and had a set of documents that helped us run the business. Basically we could plug anyone into any position and have them understand it."

2. Imagine Hosting Your Own AMA

Everyone from Barack Obama to Madonna to Bill Gates has participated in an "Ask Me Anything" (AMA) forum where participants are encouraged to ask the featured guest anything that is on their mind.

Now imagine you invited your customers to an AMA. What questions would they ask you? What zingers would your most skeptical customers pose? These are the questions you need to document your responses to in a Frequently Asked Questions document that your employees can leverage in your absence.

3. Shine the Media Spotlight on Your Team

It's tempting to take the call from a local reporter who wants to interview you about your company, but consider inviting an employee to take the interview instead.

Stephan Spencer founded Netconcepts in 1995 and grew it into a multinational Search Engine Optimization (SEO) agency before selling it to Covario in 2010. His first attempt to sell his business in the late 1990s failed because potential acquirers viewed Netconcepts to be too dependent on Spencer himself: "My personal name and my company name were too intermingled. If I didn't go with the business, nobody was going to buy it."

Spencer set out to reduce his company's reliance on him personally and one of his strategies was to position his employees as SEO experts: "I encouraged key staff, various executives and top consultants within the company to speak and write articles, and I introduced them to the editors I knew."

It can be tempting to run your company as your own personal fiefdom but the sooner you get it running without you, the faster it can scale into something irresistible to an acquirer.