



Is Your Business You-Proof?

BY: ERBEN ASSOCIATES

Whether you're planning to sell your company sometime soon or sometime in the future; now is the time to ensure that your business isn't all about you. From the latest Sellability Score* research involving 2300 companies from around the globe, here are two key factors that are linked to the probability of getting an offer for your business when it's time to sell.

#1: You're almost twice as likely to get an offer if your business can survive the "hit-by-a-bus" test.

If you were out of action for three months and unable to work, would your business keep running smoothly? The more your staff and customers need you, the less valuable your company will be to a potential acquirer. One good way to start making your business more independent is to begin spending less time at the office. Start by not working evenings or weekends, and don't reply if employees call. Once they get the picture, the best ones will start making more decisions independently. The shift will also expose your weakest employees, the ones that need training or that need to find

another job. As for you, it might come as a shock to find out how much your business has become such an essential part of you; but if you're going to sell your business one day, you need to look at it as an inanimate economic engine, not as something that defines who you are.

#2: Companies with a management team (not a sole owner) are getting offers at almost twice the rate.

If you don't have a management team, hiring a 2iC is a good first move. A second-in-command can help you balance the demands of running your company and advance your targeted exit time.

Here's a four-step plan for hiring a 2iC, thanks to advice from Silicon-Valley-based Bob Sutton, author of *Good Boss, Bad Boss*.

1. Identify someone internally. "The

research is clear,” says Sutton. Unless things are totally screwed up, internal candidates have a strong tendency to outperform external leaders.”

2. Give your 2iC prospect(s) a special project, one that allows them to demonstrate their leadership skills to you and the rest of your team. If your candidate or one of your candidates excels, it will be clear to your team why he or she was selected.

3. Communicate your choice. If you pick a 2iC from an internal pool, explain your choice to the rest of your team. At the same time, wrap your arms around those you passed over and make it clear how much you value their contribution.

4. Shift from manager to coach. “The transition from manager to coach is a gradual evolution where the goal is to to ask more questions, spend more time listening, and spend less time talking and directing,” says Sutton.



Erben Associates, LLC
300 Beardsley Lane, Suite D-200
Austin, TX 78746
512.402.0250

www.erbenassociates.com

