

## 4 Improvements That Can Position Owners for Greater Success

Success is rarely linear. As a business owner, it's important to both acknowledge that fact and create plans that can provide short-term results while having long-term impacts. Today, we'll show you four areas in which strong planning and realistic goals can position you to achieve more success in the coming year.

### 1. Building strong management teams

Strong management teams implement your tactics and strategies, which determine your success and often, your company's value. Frankly, when buyers purchase a company, they're often buying the management team foremost. Having a strong management team is the mother of all Value Drivers.

This means that having a management team that can position you and your company to perform well is critical to your success. There are three things you should consider focusing on related to your management team to help them provide short-term results while still having long-term impacts.

- **Setting goals.** Unreasonable goals can cause burnout. To perform well, your management team needs documented goals that are realistic. Many business owners find value in calling on their Advisor Team to help them create goals that are both ambitious and realistic.
- **Providing resources.** What the management team believes they need may surprise you, but if you trust them it's important to deliver those resources. Figuring out what they need to succeed can help them drive performance and pursue solutions more effectively.
- **Rewarding performance.** Don't give them the rewards you value most – give them what they value most when they perform well. When your management team achieves its goals, it's crucial to reward them appropriately. Creating a written incentive plan at the outset of your planning is a key to motivating your managers.

For many successful businesses, management teams drive short- and long-term success. Keeping them focused, on track, and motivated often translates to better performance.



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## 2. Having documented systems and processes

Regardless of whether you plan to sell your business in the near future or never, maximizing business value is important. In addition to your management team, having documented systems and processes can position your company to be as valuable and stable as possible.

When you document your systems and processes, you provide your management team (current and future) and potential buyers with a playbook for your success. This often means you don't need to reinvent the wheel with each new initiative, which can increase efficiency and create more time to innovate.

Likewise, because many buyers will pay a premium to buy turnkey businesses, documenting your processes can help you maximize value and reduce post-sale risks. This is valuable even if you never intend to sell your business.

No matter what, everyone exits their business someday—by choice, death, or otherwise. Documenting your processes can give the people on whom you depend guidance on how to keep the business running in your absence, which is just as important to owners who want to die at their desks as it is to owners who intend to sell their business during their lifetime.

## 3. Creating a business continuity plan

Remember: The most valuable businesses are those that have a dispensable owner. In other words, if your business relies on your presence, it may not have as much value as you hope for without you. While being needed might provide an ego boost, it also can make it challenging to control your business destiny.

That can be a huge problem if you ever become unexpectedly absent. For example, if you were to die or become incapacitated unexpectedly, how could you position the business to continue running so that the people who rely on it (e.g., family, employees) aren't left scrambling for solutions?

The answer lies in creating business continuity instructions.

Business continuity instructions can serve a dual purpose. Most obviously, they provide guidelines for how to keep the business running in your unexpected absence. But just as importantly, they can create measures and processes that make the business less reliant on you *even if you're never unexpectedly absent*.

## 4. Using success to beget more success

Developing a plan to achieve success can create success in other realms. For instance, if you successfully implement the three elements above, it could give you more time to create a more well-balanced personal balance sheet. That could increase your access to additional resources, which you could then use to supplement business performance or other interests, creating a virtuous circle of personal and business successes that play off one another.

While success may not be linear, proper planning can better position you to address the natural ebbs and flows your business experiences.

We strive to help business owners identify and prioritize their objectives with respect to their business, their employees, and their family. If you are ready to talk about your goals for the future and get insights into how you might achieve those goals, we'd be happy to sit down and talk with you. Please feel free to contact us at your convenience.

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