



DO BUSINESS FASTER™

## **Jim's Profit Accelerator 54: Build a Bigger Boat**

When should you sell your company? If Mark Zuckerberg struggled with that question about Facebook, why do you think it's an easy question? He may be younger and richer, but the tradeoff is the same: When do I trade the thrill of ownership and its personal potential for the financial security and options that come with it?

The best answer: Not yet.

Instead, follow these three steps to move your focus away from selling, and toward an even better future:

1. Push out your earliest "sell date" at least five years.
2. Reignite your drive and skills.
3. Actively build your business, like you did years ago.

**SPEED BUMP:** Build the valuation of your business, not just sales or profit.

Imagine your business valuation as a boat that will do at least these things for you:

1. Support you and your family as you change your role in the business.
2. Help build your legacy in your business.
3. Continue to build your legacy in your community.
4. Provide for your family.
5. Enable your business to thrive with its new leadership.
6. Provide some survival cushion for your business when it hits future bumps.
7. Deliver the fun you've promised yourself all your life.

The striking truth: Your key advisors will stop the leaks in your boat, which is critical, but that is all they can do. Here's a starter overview of their services:

- An effective tax and estate attorney will see that you don't lose money in taxes that you don't need to pay, and help define the allocation of your assets when they are distributed to others to minimize future expensive friction.
- Your CPA will help you manage taxes and provide the information essential to effective business operation.
- A business attorney will help you structure the elements of your business to enhance their value if you should sell it.
- Your financial advisor will help make the best possible use of your investable assets, enabling them to retain value and grow as your involvement diminishes.

This planning is essential to avoid waste and the fighting that can turn your lifework into an excruciating melodrama for your family and employees. Remarkably, however, it misses one of the biggest opportunities of your life.

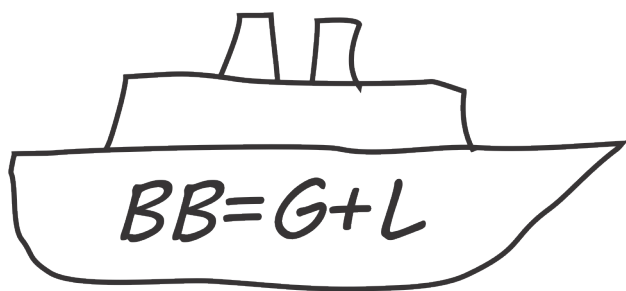
**SPEED BUMP:** You can block losses while you build your boat dramatically.

The secret is this: instead of slowing down, speed up the growth and success of your business, and get others to do most of the work!

Here's a pattern to help you grow this boat to multiples of your current business valuation:

$$BB = G + L$$

Translation: A bigger boat comes from growth and leadership.



To take it apart:

- *Growth* is revenue growth fueling improved profit.
- *Leadership* is the intentional development of a leadership team and general manager that can successfully operate your business and grow it.
- Your role shifts from owner-operator to investor who architects this transformational opportunity for yourself and your top leaders.

**SPEED BUMP:** Start on your boat five years before you plan to disembark.

Imagine your office door. Now think about stepping through that door to the next phase of your life. You're going to do it; it's a matter of when, not if. Why not set up that door to lead you to an even better life than you dreamed? Even better, there are several doors to choose from, allowing you more impact on your future than you thought possible. Here are the doors:

Door #1: Leave the business as it is today.

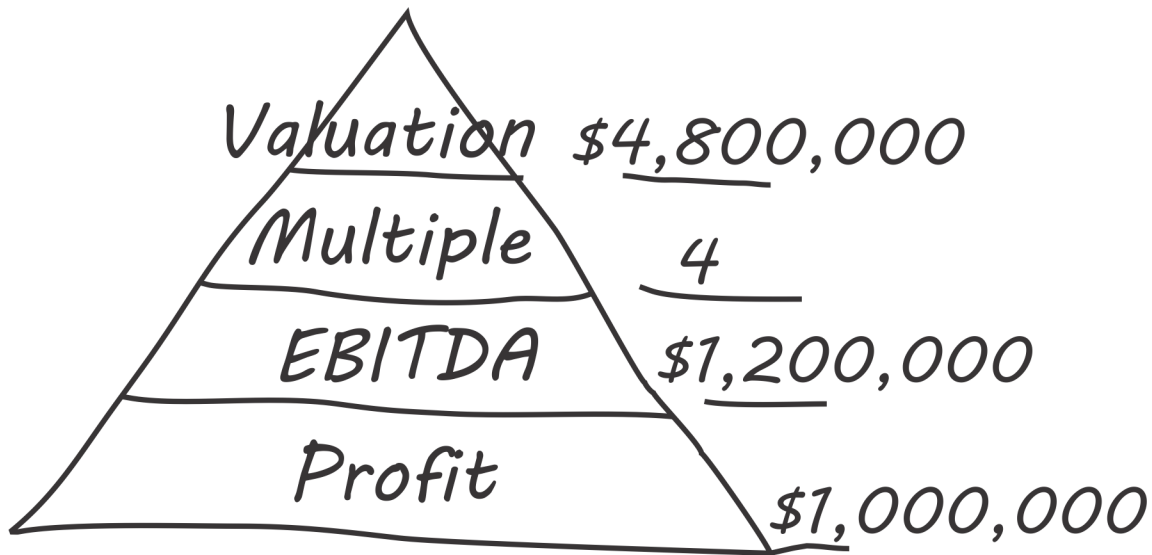
Door #2: Grow 5 percent per year for four years.

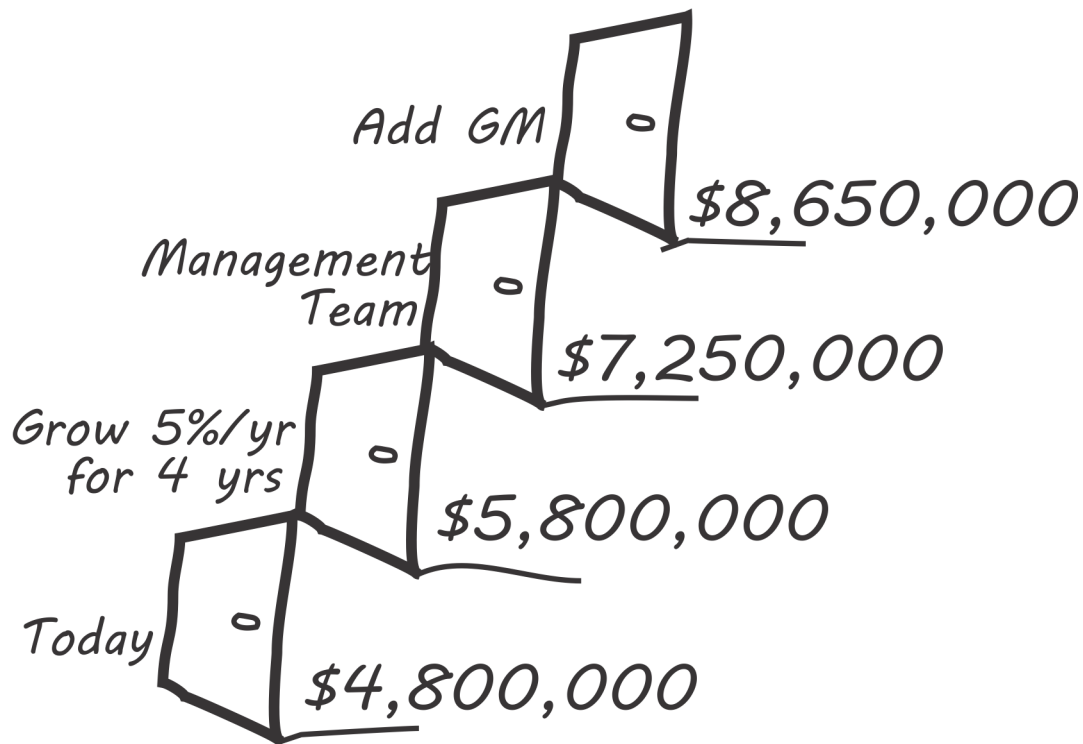
Door #3: Build a management team.

Door #4: Build a general manager.

Remarkably, you can actually go through them in succession, and benefit from as many as you want to. Each door can enhance your business valuation by as much as your current EBITDA! If you can get to Door #4, you'll nearly double the valuation of your business. This extra return is on top of your annual income from the business, of course.

Here's what it might look like if your annual profit before tax is \$1,000,000. To calculate your numbers, adjust the earnings number to your own, and use the same multipliers:





**Bonus:** If you start soon enough, you can test-drive your choices, instead of making a forced choice (sell or keep the business). In fact, you don't need to decide whether or not to sell. Instead, if you choose from the doors above and do it five years before the soonest you'd sell anyway, you've just created a wonderful new life opportunity that was not even visible before!

**ACCELERANT:** Which door will you create and step through?

For more information on how you can accelerate revenues and profits in your business, please call or email me.

For more information, visit [www.grewco.com](http://www.grewco.com).

Jim Grew is an expert in CEO-level strategy and executive leadership whose clients refer to him as the Business Defogger and Accelerator. Jim helps leaders swiftly discover the hidden opportunities within their businesses and exploit them for dramatic results. Nearly three decades of success as a COO and CEO coupled with his experience running nine thriving businesses provide the foundation for his consulting work as president of the Grew Company. He presents regularly to industry groups, mentors business leaders, and shares insights on his blog, BizBursts.com: <http://bizbursts.com/>. He holds BA and MBA degrees from Stanford University.

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