

Is your family business sustainable?

Is your family owned business sustainable? From the time you start or purchase the business, you should be looking toward your eventual exit strategy.

That may be at a time some 20 years later, but the day will come where you will want to have other interests or your health may not allow you to continue. The term "sustainable" when used in this context refers to the ability of the business to survive without you. While you may be "captain of the ship," your business has to have sufficient experienced and well qualified individuals who will be able to run that business well.

It is a logical process. A potential buyer will have an interest in purchasing the business if it can function well without you. If the business cannot function without you, then the buyer is really buying you, which amounts to no exit strategy at all.

How do you create a business that is sustainable? It is more than just hiring qualified staff, which at the outset may be difficult to do. While initially you are the one doing most of the work, over time you need to be the leader.

As such, you need to develop your product, determine your target market and raise money in the event that your business will need seed capital that you do not have. You will also have to learn to delegate. Over time, you need to become the one who chooses the direction of the company. This also means that you do not have to make every decision and you need to make others accountable for the results.

You will be the one who needs to establish systems within the company. You will be sharing the credit and limelight with your team, as you will be the team builder for your management team, devoting more of your time to the "big picture" as over time you need to become the visionary for the company.

Hiring a qualified team will allow you to focus your efforts on the "big picture."

Hiring qualified individuals is not the only thing you need to do in order to build your team. As the leader, you must lead the team to define the vision and the mission of the company. You

need to create a methodology for the team to communicate with each other within the company.

That also means you will have to trim those from the company that don't fit in attitude or skill set. With that team in place, you created options for the future. For instance, if you have

children who become involved in the business, gifting shares of your company may be part of succession planning. Or your team may have invested in your business and want to buy you out over time. Your entire management team, depending on financial circumstances, may wish to buy out your

interest. Creating a sustainable family business creates options for you and your family.

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