

When the Sale of Your Business Spurs an Identity Crisis

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We often think of business ownership as a financial commitment, but it's a personal one as well.

By Frank Williamson

As the CEO of your company, you're ultimately responsible for its success or failure. It's tied to your own livelihood, as well as that of your employees, who have helped to build your company and who you don't want to leave in the lurch.

For entrepreneurs who've started their business from the ground up, its success is one of their life's biggest accomplishments, and has taken up more hours than they can count. Their work truly becomes their life—sometimes to the exclusion of social activities, relaxation on the weekends, even family time.

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Even if your current position as CEO has come by other means, having that level of long-term responsibility still leaves an impression on how you view yourself. And, in turn, it can affect your decision-making process if an opportunity eventually comes to sell your business.

If your job is your personal identity, then selling your business suddenly becomes something greater than a financial transaction. It's a fundamental life change. You might end up making a tidy amount of money in exchange for your years of hard work, but then, what do you do now?

As a business consultant, I work with a range of entrepreneurs and CEOs who, in one form or another, are defined by their jobs. Each has an individual choice to make about whether selling their business is right for them.

Here are a few examples of business owners contemplating a sale of their business, and how their personal identities have played into that decision:

1. Born on third base (and knows it)

Some CEOs may not like to admit it, but they're in their current position due to pure luck—because they happened to be part of the right bloodline. A successful family business can be a machine that runs uninterrupted for generations. For those who are born into a business and eventually graduate into running it, there's often a realization that they were "born on third base," so to speak. Their desire to try something different is invariably tempered by the nagging feeling that they might not be as successful if they were to start from square one in another industry.

This was the situation for a client of ours in his late 40s. He had initially planned to sell his family's business and start again in a different industry. However, once he considered the idea more thoroughly and discussed it with friends who had started over in a similar manner—only to encounter unforeseen challenges—his enthusiasm for a second career faded. Ultimately, he decided that it was most important that the sale of his business result in his having the financial freedom to not have to work again.

It's easy to forget that successful businesses don't exist in a vacuum—they're part of a wider industry community that grows over time. It's perfectly reasonable to realize the potential drawbacks of an ambitious plan and not want that level of stress near the end of your career.

2. A servant to one's clients

Service to clients, of course, is the core mission of a business—because happy customers are how you succeed and grow. And sometimes that image of being a servant, or a problem-solver, can become deeply ingrained in the personalities of business owners.

One client of ours owns an engineering business that produces devices to solve highly specific technical problems. It's a rewarding occupation, partly because of the uniqueness of each project. Yet, because the leader of this company considers his role to be a successful

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“fixer,” he has had second thoughts about the possible sale of his business. Although he would make a nice profit by doing so, he’d also have to leave that aspect of his identity behind—unless he’s able to channel it into whatever hobby or project he takes on next.

3. The mayor

Owning a business is about the closest experience the average person will have to being a mayor of a city. Your employees look to you as the ultimate decision-maker, and you can set the tone of how your workplace operates. (Of course, it’s your employees’ decision on whether they want to keep working for you if you don’t set a tone they enjoy.)

On some level, business owners derive personal pride out of being the top dog. But by selling your company, all of that goes away. Your family at home tend to not follow orders in the same way your employees at work have to. So, if you sell your business, can you adjust to a daily situation where you’re no longer the center of things?

The big question

For any business owner thinking about selling, the big question is this: Can you accomplish your goals by selling, or can you restructure your business in a way that gives you more of the balance of structure and freedom that you ultimately desire?

If your organization has always had an organizational structure that centers around you, you may need to think about how to start changing that. Perhaps it includes delegating more responsibilities to senior staff members so that your daily presence in the office gradually becomes optional.

However, if you get a sense of personal fulfillment through your job that you can’t find elsewhere — and your business’s potential isn’t being hampered — then maybe there’s no good reason to change things just yet. That’s fine, too. As the saying goes, money can’t buy happiness.

While each business owner’s situation is unique, the first step of the decision process is to understand what the available options are. That work can be done most effectively with the help of a business consultant, who can offer unbiased, thoughtful advice.

Frank Williamson is the founder of [Oaklyn Consulting](#), a strategy consulting firm with a financial focus. Oaklyn Consulting helps the owners of lower and middle market businesses and investment funds with corporate finance, mergers, acquisitions, capital raising and succession advice. The consultants at Oaklyn Consulting do not work as brokers; but as counselors to their clients.