

## Why Some Small Business Owners Are Going Back to Work

By Frank Williamson



Owning a business has its perks. But the reality of day-to-day life as a small business owner is that you often need to wear a lot of hats — pursuing new clients, scheduling work, billing, customer service, managing personnel, calling somebody to come and fix the office copier. Your preoccupations are nurturing your customer relationships, maintaining a sales pipeline and keeping money coming in the door.

So, for many small business owners, engaging in any serious long-term strategy is wishful thinking — after all, you've got a business to run here.

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Growing purely through customer acquisition takes a long time and is a lot of work. Accessing the money it takes to expand rapidly isn't always possible.

Given these realities, some small business owners who manage their businesses find themselves wondering if the grass might have been truly greener when they were an employee — and could be again if they find a role within a larger company that plays to their strengths. Of course, getting to that goal requires selling one's business, which is no small undertaking. But it is possible to kill two birds with one stone, and doing so isn't as far-fetched as a person might think.

From a buyer's perspective, getting a talented executive can be a nice perk of acquiring a business. It's not at all unique for somebody in the industry to be grappling with leadership issues. Assuming that the target company is already attractive on its own merits, the addition of a talented executive might be exactly what's needed to fill a gap in the acquiring company's leadership team.

Yes, creating a marriage of this kind does require a few things to fall into place. The small business owner needs to alert potential buyers of their interest in an acquisition and be able to sell them on how it could benefit both sides. As well, the small business owner needs to make sure they're truly comfortable with the idea of working for somebody else again.

## Points for small business owners to keep in mind

1. **Get on potential buyers' radar screens.** The journey of finding a suitable buyer for your business often starts with networking, so if you're the type of person who has a friendly relationship with your competitors, it's a good idea to put the word out there that you're open to an initial conversation. See if you can learn through the grapevine who might be best positioned to acquire your business. Also think creatively about companies you do business with, and whether they might benefit strategically from combining with you.

**2. Bring a clear vision and be able to back it up.** It's rare to be the owner of a successful small business without developing some sales skills along the way. But not all business owners understand how important it is to be able to package their business for potential buyers in the same way one might sell a product. You need to excite buyers with a big-picture vision of what a business combination would mean, but also be able to clearly explain important details, such as who your customer base would be and how your deal pipeline would work.

**3. Be comfortable with the loss of control.** Let's face it, being the boss isn't all bad. When you own your own small business, you're as essential as you want to be. But after enjoying that level of freedom, a mental reset might be necessary to accept the new limitations that come from becoming an employee again. If your goal is to work for the buyer of your company, then it's important to make sure you mesh on a personal level, at least enough to manage a comfortable and productive working relationship.

**4. Insure your own financial flexibility.** Remember that as an employee, your position might not come with a contract length, so if the economic winds suddenly change, you might find yourself out of a job more quickly than expected. So, when selling your small business, it's prudent to insure your own financial flexibility. Make sure that you're walking away with enough money to maintain your standard of living. Remember that some bosses are in the occupation of buying and selling businesses, so the new work environment you step into might remain stable for years — or it might not. Whatever happens after the sale of your business won't be your call anymore.

## One company owner's story

Having said that, every situation is different — and sometimes an executive and a company will be a good match even if not every box is checked. For example, I recently advised the owner of a small roofing business in a sale that led to a new executive role in the same industry.

This CEO hadn't led a company before running his own, and after six or seven years in the role, had become weary of the responsibilities of company ownership and the slow progress of growth.

While he was articulate and had an exciting vision for buyers, he couldn't offer many concrete details about a potential deal pipeline. However, he did bring a specific set of skills and industry knowledge that made him attractive for the eventual buyer of his business — which already had a pipeline of deals and just needed an operator.

His new role is more like that of a division manager — with employees and a boss — than an owner-operator. His skills as a manager in his industry made him a perfect fit to help his new employer think strategically about what to integrate next. Because he has grown children and doesn't need to be at home as much as before, the required level of travel suits his current lifestyle.

## A new chapter

Many of us aspire to become business owners because of the freedom to chart our own path. But for those who've become tired of the responsibilities of small business ownership, there's no shame in seeking out a different opportunity. The talents you've developed might be just what an employer is looking for, allowing you to transition to a role that offers an exciting new chapter in your career.



Frank Williamson is the founder of [Oaklyn Consulting](#), a consulting firm that helps investor groups and private businesses, from startup to middle market, with mergers, acquisitions, capital-raising, investor relations, succession and other strategic corporate finance decisions. Oaklyn Consulting does not work as a broker but as an extension of clients' boards and management teams, charging time-based fees for investment banking advice.

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