

## Hang in There or Sell

03/19/07

My company is stuck. We've hit the same revenue numbers the last 2 years, and are on track to do exactly the same this year. Everything I do to try to push forward doesn't seem to work. Even worse, my bottom line is not as good as it was 2 years ago, as I keep trying things, spending money on things that don't turn into results. I'm getting really frustrated. And I'm not even sure I want to try anymore. I'm tired, and think I need a break. What do I do?

This business owner, in Putnam County, operates a service and installation company. She's had a good run, and made a good living from the business. Now she's at a crossroads.

Every business owner gets to a point of decision, whether to keep going, or not. This typically happens when the owner hits a ceiling. What they know how to do no longer serves them well as well as it used to. Running into a series of events that don't go as well as hoped can result in a crisis of confidence.

Here are your choices. Get back in the game of growing the business and get help to do so. Cut your losses and get out. Sell or give it to someone else who can help it grow again. You have to make a decision about direction, and then take some form of action, or your choices will diminish as time goes on.

If you decide to get back on a growth track, you and your business are probably going to need to build new skills. Part of the reason you're in a funk is because you don't know what to do next. You may have to try a few things. It will take time, money and effort to get things moving, so you have to be sure you're willing to invest all three.

If you're not sure whether getting back on the growth track is the right path to choose, you can start by making a list of things that have to change. Estimate how much money you can afford to put into turning around the company. It's like gambling here, so don't plan to invest more than you can afford to lose. Realistically decide how much effort you're willing to put in, for how long, before you have to decide to do something else.

Spend a month investigating resources, costs, options. Talk to lots of vendors, and learn about what's out there. Make a spreadsheet with columns for:

- issues in the business and priority for each issue
- vendors who can help, and a description of services each offers
- direct costs and indirect costs of working to solve each issue
- typical outcome, likely payoff and time needed to implement solutions
- notes about vendor references

Look for vendors with experience that matches your situation and list of needs. At a crisis point like this, you probably cannot afford to have a vendor go to school on your business. You're going to need leadership, action, results, and payoff.

Select a list of vendors you would most likely want to work with. Add up the direct and indirect costs, and compare to payoff. You now have a budget, payoff, and timeline, if you keep going, as well as a list of things to work on and a list of vendors to work with.

Selling the business may be an option if the business still has value. Realize that many owners start down the selling path, only to have the deal fall apart. You will have to find a ready buyer, negotiate a price, which may be less than you want for the business, you may have to make concessions, and you will probably have to stick around to make the transfer happen.

Alternately, you may find that it's time to cut your losses. People usually do this when the business is too far gone, has too little in assets left. It takes market share and opportunity to make it worth expending significant time, money and effort to get back on track. Add up your assets, subtract your liabilities. If you're already losing money, and don't plan to turn things around, you need to get out quickly.



Trusted Advisor to Business Owners

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The biggest mistake made by people who find themselves at a crossroad is that they do nothing. They say they are waiting for events to play out. They say that until they are clear, it's better to wait and do nothing. Doing nothing is, in fact, the same as doing something. Most people aren't clear enough about this, and as a result waste too much time sitting in neutral, waiting for events to play out, letting their options dwindle.

Looking for a good book? Try *Capture And Continue: Essential for Maximizing the Benefits of Business Ownership* by Dana Barfield.

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