



PERSONAL VALUE GAP SERIES

Optimize Your Work/Life Balance, Grow The Value of Your Business

Prioritizing the important.

Table of Contents

Overview	2
Section 1: The owner's dilemma	3
Section 2: Alignment of interests	3
Section 3: Deliberate choices	4
Section 4: The Value Creation Blueprint	4
Section 5: Getting Started	5
Conclusion	5

OVERVIEW

The purpose of this whitepaper is to provide a path to freedom, the single most important ingredient to achieving optimal work / life balance. *By freedom, we mean the ability to regularly step away from your business, both physically and emotionally, to develop other aspects of your life.*

It's also important to briefly discuss what this whitepaper is not. We are not talking about how to use your personal time, how to better manage your work day or techniques to improve happiness. No - that's entirely up to you. As you know, definitions of personal and professional success are highly personal and unique. Our focus here is the precursor to optimal work / life balance --- freedom.



Work / Life
Balance starts
with
freedom

Unlike most employees, the daily life of an owner is typically characterized by a lack of freedom. Whether at the office or not, an owner's mind is constantly pre-occupied with the latest client issue, product launch, marketing strategy, HR issue, etc. The fact is - owners are often tethered to their work which crowds out the development of other aspects of their lives. And, it's the other aspects of their lives that create the "balance" in the work / life balance equation.

Ironically, if done right, creating freedom from your company will likely increase the value of your business, perhaps significantly. The more your company can operate, indeed thrive, without you, the more valuable it becomes to a purchaser. Makes sense -- right? In the financial world, this is called transferable enterprise value and it can be measured fairly accurately allowing you to calculate the value created by the initiatives you undertake to free yourself from some or all of the critical aspects of your company.

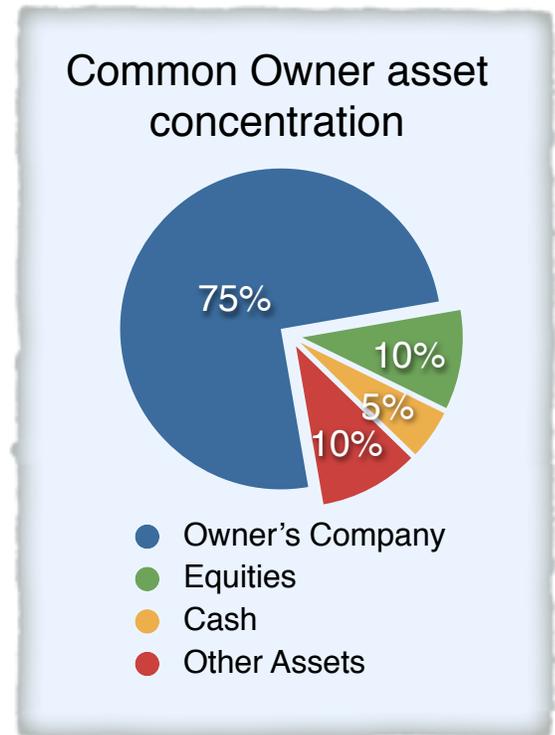
So, the first step to optimizing work / life balance is to create freedom while simultaneously increasing the value of your company. That's our focus for the remainder of this article.



OWNER'S DILEMMA

For many owners, the notion of freedom from your company is at best far-fetched and at worst a counterproductive myth. It stands to reason if, like most owners, your company's success largely depends on your direct and consistent involvement, then stepping away will cause irreparable damage. You are the most effective salesperson, product / service designer and constantly have to manage key accounts -- no wonder, the theory and practice of freedom appear to be polar opposites. And, to further complicate matters, your net worth and family financial stability depends on the health of your company.

Wow, feeling demoralized? You're not alone. Most owners start in the same place. They have built a successful company with their blood, sweat and tears but, now typically after years of success, they come to realize the unsustainability of their work / life *imbalance*. This is the owner's dilemma and it's not for the faint of heart.



ALIGNMENT OF INTERESTS

Fortunately, there is a path forward and it rests on the inherent alignment of interest between your desire to address your work / life imbalance and your interest to increase the value of your company. In fact, this alignment is not limited to your interests alone, your family, friends, co-workers, customers -- indeed all stakeholders in your life and company share this alignment. The simple truth is ... the more the company depends on your unique value contribution, the more it consumes your life and the less valuable it becomes.

So, what does this mean practically? While, there's no single path forward, there are common themes and strategies, a few of which are listed below.

Company Dependency	Company Initiative / Value Enhancement	Work/Life Balance
Management Strength	Leadership training and empowering of certain staff	Freedom
Accountability	Financial Metrics / Key Performance Indicators tied to executive comp	Freedom
Growth	Sales functionality / Marketing strategy & systems	Freedom
Product Development	Brand survey to objectively establish value proposition	Freedom



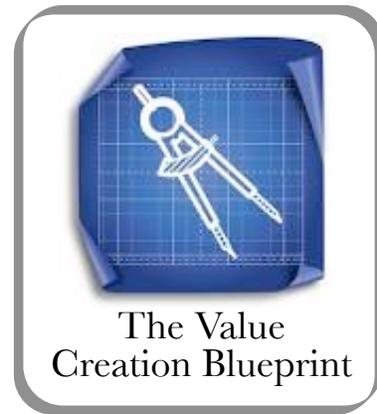
DELIBERATE CHOICES

Developing freedom from your company requires thorough planning guided by specific personal and professional objectives, followed by disciplined execution. At the end of the day, embarking on a freedom strategy will cause significant (positive) change at your company, but make no mistake, good intentions or half-hearted efforts will not get it done. Unless you are dedicated (and usually assisted by a 3rd-party outside expert), you will likely fall back into old patterns.

The above list of common company initiatives highlights a critical fact -- it takes time to effectively design and implement a freedom strategy. You must not expect meaningful near-term change. Successful freedom strategies are usually a 1-3 year process depending on the unique circumstances of each owner and company. The investment (both time and capital) will likely offer the highest return on investment possible for the company and your human capital. It is clear - owners who successfully progress through the freedom stage of their company's development maintain a higher degree of personal and professional satisfaction while significantly improving the value of their company.

THE VALUE CREATION BLUEPRINT

How do we know progressing through the freedom stage of your company's development significantly improves the value of your company? We rely on the Value Creation Blueprint. Used by professional investors, the Value Creation Blueprint is a market-based method of systematically improving the value of privately held, middle market companies. It enables smaller companies to evaluate return on investment profiles for discrete value enhancement initiatives.



One of the primary value drivers identified in the Value Creation Blueprint is key manager dependency. You may find it surprising that lowering key manager dependency likely will contribute more to the value of your company than margin growth. On average, smaller companies can increase in value by 33% through the value enhancement initiatives identified by the Value Creation Blueprint. To learn more about the Value Creation Blueprint, we have put together a separate resource entitled *Why is private equity increasingly interested in smaller private companies.*



HOW TO GET STARTED

To begin the process, an owner must assess and prioritize company initiatives around value drivers that maximize enterprise value within the context of the owner's desire to create freedom. Here's the critical piece, given the complexity and diversity of company and personal factors, it is imperative that you assemble an advisory team of specialists capable of achieving *your* unique combination of business and personal objectives. There's no such thing as a standard plan or team, but there are processes you need to follow starting with a formal company assessment optimally conducted by a specialized (typically certified) professional. To learn more about the "getting started" process, we have put together a separate resource entitled *Building the Right Advisory Board*.

CONCLUSION

The first step to optimizing work / life balance is creating freedom from your company. Freedom means the ability to regularly step away from your business, both physically and emotionally, to develop other aspects of your life. Creating freedom from your company is a deliberate process which substantially improves the value of your company. With the right advisory team and the right plan, it is possible achieve both objectives simultaneously.



ASSOCIATION FOR ENTERPRISE GROWTH

About the Association For Enterprise Growth:

The Association For Enterprise Growth is a non-profit organization dedicated to the educating business owners about the unique interconnected and interdependent issues impacting the value of their business and personal wealth.

The organization is structured into regional councils of approximately 30 independent professionals each with proficiency and experience in a wide range of financial, legal and management disciplines. These professionals operate as a cohesive group of specialists providing collaborative diagnostics, advice, planning and solutions to address complex growth, management and financial challenges to individual business owners.