

Raising Your Business Like a Child

Why did you decide to become an entrepreneur?

If you're like most owners, you aspire to have the freedom that comes from owning your own business:

- The freedom to decide how you spend your time
- The freedom to choose whom to work with and to avoid people who drain your energy
- The freedom to make as much money as you deserve

This desire for freedom often leads owners to aspire for a bigger business, which they think will give them what they want. Unfortunately, most owners who strive for more revenue or profit as their primary goal often have:

- Less time because it's spent managing an ever-expanding set of offerings.
- Less freedom because complexity inevitably leads to conflict.
- Less money because any available cash is reinvested in growth.

So, in many ways, growing a larger business gets you further from your ultimate goal of freedom.

Instead of thinking of your business as something to push harder and faster, there's an alternative that may get you closer to what you want. Think of your business as a child, and your role is to guide her into becoming an independent, thriving adult.

If your goal is to create a business that can thrive without you, you will start to make different decisions. That demanding customer who wants your attention on their project no longer looks so attractive. That exciting new product that's going to require you to sell no longer looks worth it.

By focusing on the role of parent rather than business driver, the demands on your time lessen as your employees pick up more of the load. You may also find your business selling more as you build a team of salespeople rather than relying only on yourself to drive the top line. The ultimate irony is that your business may end up being more valuable than a larger peer where the owner is still mostly responsible for sales.

Acquirers want businesses that will survive the loss of their owner. In many cases, they will pay a premium for companies where the owner is in the background. Consider the case of Damian James, who [sold his network of mobile podiatry clinics](#) generating \$11 million in revenue for \$13.2 million. He credits much of the sale to the fact that he was no longer running the businesses day to day and had reduced his time commitment to just one or two days per week.

David Hauser started Grasshopper, an Internet-based phone system he built to \$30 million in annual revenue before he [sold it to Citrix](#) for \$165 million in cash and \$8.6 million in stock. Hauser was down to working just one day per week at the time of the sale of his company.

Growing revenue and profits will be valuable to an acquirer, but if you make them your only goal, you may find yourself with less of what you want. Treat your business like a child who needs guidance to become a thriving adult, and revenue, profits, and ultimate value will come as a by-product.