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Exit, Stage Left...or Right?

Have you planned your exit strategy?

You've had to consider and evaluate your product or service mix, location, competition, customer base, marketing, business growth, organization, and more. So much of your focus has been on beginning, sustaining, and growing your business, but if you haven't done so already, you owe it to yourself to develop an exit strategy.

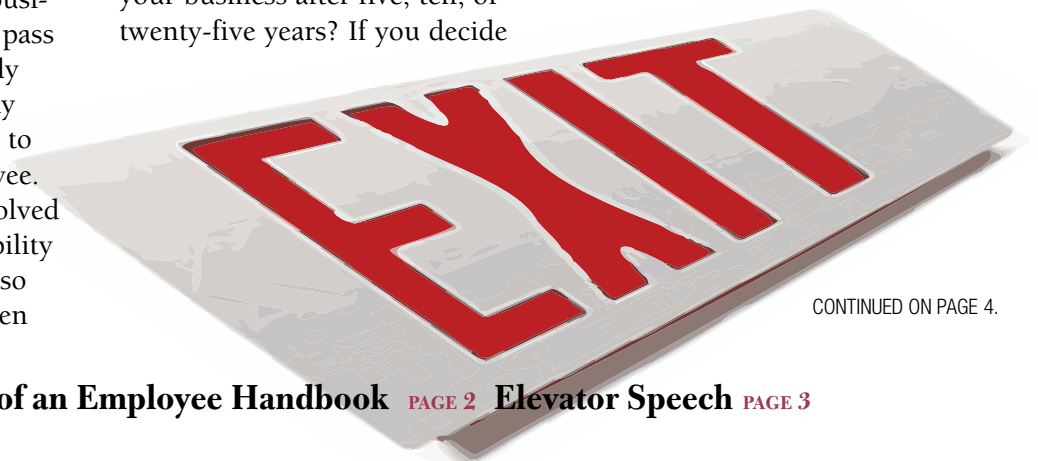
Having an exit for tomorrow can be a blueprint for today. One of the benefits of an exit strategy is that having an idea of how you would like to end your involvement in your business may make it easier for you to run the business today. You may plan to pass the business along to a family member or take the company public. Or perhaps you plan to sell to an investor or employee. Maybe you want to stay involved part-time but cede responsibility to someone else. You may also consider selling it on the open

market or simply terminate the business. If you have an idea of how you plan to exit, you can begin to conduct your business with that objective in mind and change tactics if your desired exit should change over the course of time. There are practical and emotional pros and cons to any exit. Each should be carefully considered and weighed.

Identify your objectives. Some questions to consider are: when do you think you will be ready to leave the business, how much money (if any) will you require from the sale of your business, and who might you sell your business to? Do you plan to sell your business after five, ten, or twenty-five years? If you decide

to simply close your doors and walk away at the end of twenty-five years, you won't have the advantage of making a profit from its sale, so you will need to weigh the value of investing more in your business against taking more of the profits when business is strong. When considering your options, don't forget to weigh the tax ramifications of your decision.

Know your assets, and promote the aspects of your business that may increase its value to others. The value of your business may change over time. It is important to know what your business is worth and to have your business



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The Basics of an Employee Handbook

Outline employee benefits and performance guidelines and expectations.

Is it Time to Create an Employee Handbook? Employee handbooks outline performance guidelines, expectations, and benefits. If you find yourself “on the spot” regarding pay, working hours, holidays, and vacation time or your business has grown to 20 or more employees, it’s a good time to create a handbook.

Where Do You Begin? There are many books about employee handbooks available, and there are many websites that offer information or writing services. Business associates or friends can also provide you with a copy of their companies’ policies. Be sure your handbook is tailored to your industry’s and your company’s needs and expectations. You can hire a human resources professional or service to create a handbook – you don’t have to create the book yourself.

Include Basic Information.

Common topics to include in a handbook are:

Hours and Pay. Include work hours, pay period, time allotted for lunch and breaks. You can include the method of handling promotions and increases and information regarding pay advances, unpaid leave, and overtime. Remember that salaries should be confidential, so do not include any specific compensation amounts. Include any policies for assigning, changing, and trading work days and shifts.

Benefits. List paid holidays. Explain policies about vacation time and paid or unpaid leaves (sick, military, funeral, personal, family, medical, jury duty). Include basic information about health insurance such as eligibility requirements, wait periods, yearly open enrollment dates, and portion paid by the company. Include basic information about any other benefits such as a pension or profit-sharing plan.

Employee Handbooks: Avoid Legal Disputes

One of the aims of creating an employee handbook is to prevent misunderstandings and legal problems, so pay close attention to your language to avoid creating new problems. Here are a few pointers for protecting yourself from legal disputes involving employee handbooks.

- Familiarize yourself with basic employment laws.
- Have a legal representative read your handbook before it is passed out to employees.
- Be sure not to use wording that may give the handbook the appearance of a “contract.” Do not use terminology such as “We hope you enjoy a long employment here.” For new hires, use “training,” “orientation,” or “trial” period rather than “probationary” period.
- Avoid using absolute terms. Do not write, “We are fair to all our employees.” Avoid the use of terms such as “will,” “all,” “must,” and “always” when speaking of steps the employer may take.
- Include an “at will” clause, one that states you recognize an employee’s right to resign at any time for any reason and that in turn the company may terminate an employee at any time for any reason that does not violate the law.
- If you include a list of unacceptable conduct and actions that may lead to termination, be sure to state that the list is meant as an example and is not a complete list of all actions which may lead to termination.
- Include language that states the company may change or terminate any of its policies at any time and that new policies override previous written (or verbal) policies.

Performance Reviews. Include a general statement about when and how often employees are evaluated.

Conduct. Define expected behaviors of staff in terms of attendance, timeliness, dress, and phone or e-mail usage. Consider defining issues such as confidentiality of company and client information, safety, and substance abuse. Define the disciplinary procedures and penalties for undesirable conduct.

Other Information to Include.

Once you pull together the basics, consider inserting other information such as:

Equal Opportunity and Sexual Harassment Statements. Provide workers with a framework to report sexual harassment or discrimination incidents.

Company Overview. You may want to include the history, mission, philosophy, and goals of the company. You can include an ethics statement in this section as well.

Information to help new hires. Include information that may be helpful to newcomers such as a site map, parking information, etc.

Forms. Include any forms you may have that directly relate to handbook information.

Wrap it Up. Familiarize yourself with local and national employment laws. Take care of the wording you use and take steps to protect yourself (see sidebar). Be sure to have a legal professional read your handbook before passing it out to employees. Include a signature form or card that states that the employee has read and understands the contents. Ask your employees to sign the form as a receipt and keep that form in the employee’s personnel file. If handled correctly, the employee handbook can be an effective management tool.

The supreme quality for leadership is unquestionable integrity. Without it, no real success is possible, no matter whether it is on a section gang, a football field, in an army, or in an office. DWIGHT D. EISENHOWER

Going Up? Make Sure Your “Elevator Pitch” Doesn’t Let You Down

If you met your dream client on an elevator, would you be able to provide a 30 second business pitch that would leave him wanting to know more?



Make an impression in 30 seconds. An “elevator pitch” is a concise, concrete, exciting snapshot of your business that leaves a potential client with a good understanding of the services or product you provide and a desire to learn more. It should take approximately 30 seconds, and certainly no more than a minute to relay. It is as essential to your business and as big a part of your “brand” as your business card, your brochure, or your website and should be carefully crafted and easily adapted to address the specific needs of a prospect.

Define your product or service in a unique way. In one or two sentences, describe what you sell or provide. Convey one to three aspects or specialties of your business that you are passionate about, point out how you differ from the competition, and define how you add a unique value to your customers’ businesses.

Define your customer. Is your typical client in the finance industry? Does your product help senior citizens? Do you provide accounting services to mid-size businesses? In one sentence, sum up your typical customer, or the type of customer you hope to serve.

Write it until you get it right. Write your “elevator pitch” down. Work on it until it feels right and gets your point across quickly. If your business occupies more than one niche, try to sum them up, or craft a few pitches that you can use with different prospects. If you are having trouble, ask your current associates and clients what they value most about your services – chances are, someone else will too!

Practice, practice, practice. Practice it out loud – in front of a mirror. It should sound natural, not rehearsed. The more you practice your pitch, the easier it will be to deliver it, whether you talk to a friend at a party, a prospect on an elevator, or potential clients at a networking group.

Keep it fresh. Although you want your delivery to roll off your tongue, remember that over time you will need to adjust your pitch as your business goals and services change. You should also customize your pitch to the prospect in front of you. If you are trying to attract a different type of clientele, you need to be able to sum up how the services of your company can provide added value to theirs.

OFF THE BOOKSHELF

Who Moved My Cheese?

By Spencer Johnson, M.D.

If you find it difficult to accept, embrace, and seek out change, set aside an hour to read *Who Moved My Cheese?* by Spencer Johnson, M.D. The book is a parable about change and describes how four characters (two mice, Sniff and Scurry, and two little people, Hem and Haw) who live in a maze react when they discover one day that the “cheese” they had come to rely upon has disappeared. A quick read by the co-author of *The One Minute Manager*, *Who Moved My Cheese?* offers much to chew on. How do we deal with change when it impacts our organization or life? What do we do when we lose our “cheese” whether it is our best customer, a good job, a relationship, money, or health? “Change Happens,” and Sniff, Scurry, Hem, and Haw demonstrate different ways of dealing with that fact. This book will inspire you to learn to “Move with the Cheese” and to anticipate and enjoy change.

The main dangers in this life are the people who want to change everything – or nothing.
NANCY ASTOR

professionally evaluated as your exit time grows closer. Perhaps you have an exceptional client list, your business is financially sound, or your branding is fantastic. When you decide to sell, be sure to promote the value of your business as well as the assets. A “turnkey” business is more valuable to a prospective buyer and should bring more profit than one that is saddled with debt or is in need of major restructuring.

Who you decide to sell to affects price. If you choose to sell to an outsider who wants to purchase it for its strategic value, your company may provide you with a far better price than if you were to sell it to an insider. Passing ownership on to a trusted family member, employee, or insider may bring in less money but be a win-win situation for you and the purchaser. Maybe a competitor sees more value in buying you out than having continued or increased competition from an ambitious new owner.

Consult professionals. It makes good business sense to consult legal and accounting professionals about the benefits, methods, and consequences of your exit strategy options. Selling your business for its lowest value or financing the sale so that the buyer may pay for the business over time has different legal and tax consequences for both parties than selling on the open market or going public. Be sure you have a solid team of advisors in place to help you choose the exit strategy that best meets all of your objectives and needs.

Virtual Assistance: a Real Advantage

A virtual assistant may be just what your business needs to help you grow in a cost-effective manner.

At your service. If you need administrative assistance but don't want to add a full or part-time employee to your ranks, consider hiring a virtual assistant. The International Virtual Assistants Association (IVAA) defines a virtual assistant (VA) as “an independent entrepreneur providing administrative, creative and/or technical services.” Virtual assistants are offsite professionals able to handle the many business details that might bog you down while you focus on your core competencies and doing the work you enjoy.

A deep and varied talent pool. Virtual assistants may have extensive administrative talent or have trained to become assistants. They may also have specialty talents in areas such as web design, writing, marketing, IT support, or translation and may have experience in industries and professions such as real estate, finance, accounting, and law. Due to the ease of communication via phone, internet, fax, or instant messaging, your virtual assistant's office can exist in another county, state, or country.

Cost-effective benefits. Hiring a virtual assistant can save you money. Since they are independent professionals with other clients like you, you won't pay for the expense of an expanded office, equipment, software, and supplies. You will not pay tax contributions, health insurance, vacations, and holidays. You may require as little as ten hours of a VA's time over the course of a month – you pay only for the time your VA spends on your projects. Professional assistants may charge as little as \$20.00 (13 euros) per hour for general assistance to more than \$50.00 (34 euros) per hour for specialty services.

Add value to your business. How should you choose a VA? Although cost may be a factor, don't forget to consider the value a VA can offer to your business. What areas of expertise would be helpful to you? It also is important to find an assistant with whom you feel comfortable (even though you may never meet face-to-face) and who brings professionalism and impeccable customer service to the table.



For more information about hiring or becoming a Virtual Assistant visit the websites of these international organizations.

- The Canadian Virtual Assistant Network, www.canadianva.net
- International Association of Virtual Office Assistants (IAVOA), www.iavoa.com
- International Virtual Assistants Association (IVAA), www.ivaa.org
- International Association of Virtual Assistants, www.iava.org.uk

Change is inevitable – except from a vending machine. ROBERT C. GALLAGHER