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trekking

a newsletter on practical strategic thinking and action
issue #61

with a little help

Last week I ran my seventh half-marathon (13 miles). While I'm not a real speedster, I have finished around two hours in each race, at about a 9:00 minute per mile pace. If you're a runner and can do a half-marathon at a faster pace than that, I bet you run and train regularly. In other words, you probably have made a commitment to train to this goal of running races at a pretty good clip.

My running group (<http://winchesterhighlanders.org/>) is my conscience. They meet at 5:45 in the morning at the town green six days a week (7:00 in the morning on Saturdays, if you care to run with us). The runs vary each day—speed work on Tuesdays, hills on Thursday, 5-6 mile runs on other days of the week with a long one on Saturdays. I don't run with them as often as I should, but my commitment to the group means that I'll send race reports after each significant event (they all just sent their Boston Marathon reports from April). They give encouragement to one another. But even if I'm not running with them, I work at it because they help me stay focused and are interested in my progress.

I committed to run my first marathon, in October in Baltimore - <http://www.thebaltimoremarathon.com/site3.aspx> - (OK to ask here, "Is Mike nuts?"). Well, Baltimore is far enough away so my family doesn't have to feel like they should watch. But I'll have to pick up my weekly mileage. I'm going to be joined by three other running friends for their first marathon, and we have a Facebook page to encourage one another and to share our training progress. This is yet another form of discipline while adding a fun element. Not to mention that I just announced this marathon commitment to all Trekking readers...

a different approach

Why am I writing about road running and racing in a business-y newsletter? When it comes down to it, road running is quite similar to running your own business. Good runners and business owners engage outside influences to help them attain their goals.

Business coaches are very popular these days. The purpose they serve is to keep the executive or owner focused on achieving goals. For example, with one of my business-owner clients, we structure our meetings to focus on the following five areas:

1. Recent sales and pipeline
2. Marketing efforts

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3. Customers
4. Personnel and Operations
5. Cash flow

This structure allows the owner to prepare for each meeting. She takes notes during the meeting and comes up with a to-do list—many of these action items she reports on the following week as we go through the five topics again. And this goal-setting approach gives us the ability to look back and see the progress over the years. It's also cathartic for her as she gets to share with someone, who is involved with her business as a coach/consultant, the issues that may not be appropriate to share with her subordinates or of interest to her husband.

Building a business, like running, is easier if you're not doing it alone. If you're not hitting on all cylinders for business (or your career), consider getting a proven business coach to improve your results. Remember, in down business cycles, you have to think differently to achieve outstanding results.

reading list

Vanity Fair, "The Inheritance"

Usually I write about a recent book I have read. But an interesting article is worth mentioning in this space this month instead. One of the ways business owners can exit their businesses is by passing them on to the next generation. The risk of this approach is that the next generation must be able to continue to run it profitably, especially if the current owner is looking to the cash flow to fund retirement.

In this month's *Vanity Fair*, with Gisele on the cover (I only buy it for the articles...), there is a good article about the New York Times family that has owned the paper for five generations.

Fifty-seven year old Arthur Sulzberger is the fifth generation of family ownership of the Times. The article makes two observations early on, "America is not kind to the heir. He tends to be depicted as weak, pampered, flawed, a diluted strain of the hardy founding stock". The second is that, following many disastrous decisions, while many people hope Sulzberger succeeds, few think he will.

In the Boston area, this topic is especially interesting because the Times bought the Boston Globe in 1992 for \$1.2 billion. The Globe may close down this week (meaning zero value) if significant concessions from the unions are not negotiated.

Read the article (<http://www.vanityfair.com/politics/features/2009/05/new-york-times200905>).

announcements

The WPI Venture Forum invited me to speak on a panel last month on the topic of, "Transition, Exit and the Future" (<http://www.wpiventureforum.org/Programs/monthly.html>). Other representatives were a private equity investor, a mergers and acquisitions attorney, and a corporate development executive who buys companies in their industry. As you might imagine, these are not good days for mergers and acquisitions. Financing is sparse, sellers still think their businesses are worth more than the market does so they're holding on, and buyers don't have great visibility over the next six months to a year. The consensus is that while strong businesses can still get good prices, everybody else should focus on strengthening their businesses until the M&A tide turns and liquidity and appetite return.

The Exit Planning Exchange has two upcoming events at Babson College in Wellesley, MA:

- May 26 – Covidien (ex-Tyco Healthcare) SVP of Strategy and Business Development Amy Wendell will speak about what a corporate buyer looks for in a potential acquisition.
- June 11 – Panel discussion on the sale of a business that closed in November—after the September meltdown of the financial system.

To register for either event, visit www.exitplanningexchange.com.

On June 18 and 19, Pinnacle Equity Solutions will hold a workshop at the Sheraton Four Points Conference Center in Norwood, MA titled, "Six Steps to Helping an Owner Exit the Business." John Leonetti, author of *Exiting Your Business, Protecting Your Wealth*, will present. Exit strategy planning can be a great addition to services provided by advisors, with millions of baby boomer owned businesses scheduled to change hands in the next five to fifteen years. To register, visit www.exitstrategy-training.com or for more information, call 781-821-2608.

about trek consulting

Trek works with owner-managed businesses to develop action plans for growth. Trek also works with the owners to prepare for their successful exit by coordinating the resources necessary to increase and preserve the firm's value, creating the succession plan and assembling the right transaction team, financing and post-transaction plan.

Our clients report improved market focus, greater revenues, better margins and increased profits. To learn more about Trek Consulting and how we can help you improve your company's results, visit us on the web at www.trekconsulting.com or call us at 781.729.1008.