



There's More to Business Than Money: Values-Based Goals

Successful business owners often want more than just the maximum amount of money they can get. These owners have deeply ingrained values-based goals that guide why and how they do business. But many of those same owners don't apply an appropriate amount of weight to values-based goals until it's too late to achieve them.

Some owners neglect their values-based goals because they don't come up on a balance sheet or income statement. Others don't realize how important their values are until those values are threatened. Regardless, as a business owner, it's important for you to understand what your values-based goals are so you can pursue them.

Let's look at a typical example of how values-based goals can determine whether your plans for your ownership in the future are successful.

What's Money Worth If There's No One to Share With?

Arya Fiers had a reputation as a tough business owner who always focused on the bottom line. Over 25 years, she managed to not only guide her trucking business through three major recessions but also continue growing it. She was a master negotiator and expected her employees to work just as hard as she did. Despite her rigorous management style, people lined up to work for her because she paid her employees well above industry average.

As she approached 60, Arya began thinking about retirement. Because she had no family and none of her key employees were interested in ownership, she began to consider the many offers larger companies had made to buy her business. She contacted her longtime financial advisor, Patty, and determined how much she would need to retire with financial security.

As Arya began talking to potential buyers on her own, she realized that they were all willing to pay her well above the amount she'd need. But she also discovered that none of the buyers would commit to keeping her employees and paying them well above the average market rate. After a few informal talks, Arya decided to start playing hardball.

She went back to Patty, who was her most trusted advisor, and was blunt.

"All of these companies are offering me more money than I need, which is nice. But what I want more than money is for my employees to continue having lots of work and good wages. No one I've talked to can promise me that. And if a buyer lays off my workers, then everything I've built will be worthless to me."

This was surprising to Patty. She had known Arya for 20 years, and this was the first time Arya had ever talked about a goal that wasn't focused on profit.

"The good news is you realized that this is important to you early," Patty said. "I'm confident that we can create a plan that helps you achieve that goal."

Patty and her Advisor Team began formalizing Arya's processes and hiring professional managers to run the company. As the team vetted buyers, Arya insisted that any buyer must commit to paying employees no less than what she had paid them. She also demanded that the buyer would not lay off any employees without cause for one year after the sale. Written employment agreements, wage continuation plans, and bonus plans were introduced for various groups of employees.

Arya received several bids to buy her company that refused those conditions but tried to offset them with more money for the business. Arya flatly refused these offers, to the surprise of many buyers. Only one buyer was willing to abide by the conditions and also pay her enough for financial security. Though it wasn't the highest offer, it was the offer that made Arya happiest.

She accepted the offer, retired, and committed to mentoring young women in her community in her free time. Two years after the sale, the buyer of her company partnered with her non-profit mentoring group and helped her expand it throughout the state.

What Are Your Values-Based Goals?

There are countless kinds of values-based goals, including the following:

- ❖ Protecting employees and company culture
- ❖ Bettering the community
- ❖ Assuring a comfortable lifestyle for your family
- ❖ Leaving a legacy to be proud of
- ❖ Developing a reputation for highest quality products

Arya wanted to protect her employees and mentor young women. It wasn't until she articulated these goals that she could find a way to achieve those goals while still obtaining financial security.

As you plan for the future of your ownership and your business, it's important for you to identify which values matter to you. Just because something doesn't show up in the business financials doesn't mean it's not important. In many cases, values-based goals determine whether you consider your ownership successful at all.

We strive to help business owners identify and prioritize their objectives with respect to their business, their employees, and their family. If you are ready to talk about your goals for the future and get insights into how you might achieve those goals, we'd be happy to sit down and talk with you. Please feel free to contact us at your convenience.

Brought to you by:



Chris Rich ChFC, MSFS, CFP®
chris.rich@goldenhawkprofessionals.com

GoldenHawk Professional Associates, LLC
3254 East Cactus Road
Phoenix, Arizona 85032

Office Phone: 602-923-8300

Website: www.goldenhawkprofessionals.com

Chris Rich is the Founder and President of **GoldenHawk Professional Associates, LLC**. He has been bringing clarity, comfort, and confidence to the business owner/ CEO community for over 25 years. He holds numerous professional designations, including Certified Financial Planner (CFP®), Master of Science in Financial Services (MSFS), & Chartered Financial Consultant (ChFC).

The information contained in this article is general in nature and is not legal, tax or financial advice. For information regarding your particular situation, contact an attorney or a tax or financial advisor. The information in this newsletter is provided with the understanding that it does not render legal, accounting, tax or financial advice. In specific cases, clients should consult their legal, accounting, tax or financial advisor. This article is not intended to give advice or to represent our firm as being qualified to give advice in all areas of professional services. Exit Planning is a discipline that typically requires the collaboration of multiple professional advisors. To the extent that our firm does not have the expertise required on a particular matter, we will always work closely with you to help you gain access to the resources and professional advice that you need.

This is an opt-in newsletter published by Business Enterprise Institute, Inc., and presented to you by our firm. We appreciate your interest.

Any examples provided are hypothetical and for illustrative purposes only. Examples include fictitious names and do not represent any particular person or entity.