

Business owners tell me what they really really want

Attention all business owners! Remove your executive and director hats. Don your [shareholder hat](#). Close your eyes and fast forward to 2015. Think. Ponder. As a business owner, what have you achieved?

You may be surprised how similar responses tend to be.

I sat down last week and analysed all the [strategic plans](#) I'd facilitated for medium sized business owners over the past two years. As you may know, I encourage the development of individual [personal goals](#) as a starting point and then use these to formulate a set of shareholder goals. These goals, along with the company's values, are the foundation of any strategic planning.

Five distinct themes around shareholder goals emerged:

(Note: numbers reflect % of owners I analysed who included this as one of their five goals)

Growth (100%)

All owners want their business to grow. Their five year goals typically make reference to a target net profit figure but occasionally the yardstick is turnover.

Growth being a unanimous goal is not surprising. Business owners are ambitious in nature and the expectation of year on year increases is a natural by product of working in a commercial environment. Also, many owners rely on dividends as their primary source of income and the main way to increase this is by growing net profits.

Autonomy (65%)

The majority of owners want their business to be able to succeed without them.

This is often driven by a desire for flexibility (time to travel, spend with family, undertake other ventures), frustration with being so operationally involved in the business, or recognition that business succession is near to impossible when they are so inextricably linked to it.

Peace of mind (50%)

Owners frequently have a goal to strengthen structure and processes within the business. Consistent, documented systems are required to give peace of mind that the business will operate effectively both as it grows (Goal 1) and as they step back operationally (Goal 2).

Linked with increased structure is a wish to implement some form of governance. Again this is recognition that ambitious growth may require external support and that governance aids the pathway for eventual succession.



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Reputation (50%)

Having done the hard yards building the company (often from scratch), owners look for ongoing recognition and a safeguarding of reputation. Sometimes this is ego and personal identity driven. Other times it's broader and more paternal in nature, focussing on the protection of the company's brand and reputation.

The challenge for owners is that recognition has historically been derived from doing the business (as an executive). The transition required is to understand this can instead be achieved as a founder or owner (shareholder) or as an influencer and guardian (director).

Social Responsibility (45%)

Shareholders often want the business to continue to have a positive impact on New Zealand society or contribute to specific parts of the community. Sometimes this is aligned to an owner's requirement that the company's current values remain preeminent and enduring.

What can we take from this?

Irrespective of where an owner's mindset is now, evidence suggests that they will eventually want relief from being the fulcrum around which the business revolves. This can be partly achieved by having the confidence to hire people that are better than themselves. Taking proactive steps to identify and nurture employees with long term leadership potential and commitment to the company would also be beneficial.

Define and document processes as early in the company's lifecycle as possible. Create a culture around this and ensure that no business critical operations are restricted to the knowledge of just one individual (including the business owner!).

Finally, a strong set of company values, some form of [external advice](#) and an understanding that reputations needn't derive from the "doing" will go a long way towards safeguarding personal and business reputations.

(Article title is with apologies to the Spice Girls)

