

The American Dream....Owning your Own Business

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How many times have you heard someone say they would like to own their own business? As a long time banker and now a strategic business advisor who works almost exclusively with business owners and business leaders, I have heard that comment more times than I could ever remember.

What is it about owning a business that elicits that comment? Is it the perception of job security? Financial independence? Controlling your destiny? Personal satisfaction? Pride of ownership? Satisfy entrepreneurial desire? Other? All of these perceptions of what one can experience from owning a business can be realized. It can truly be like living The American Dream.

But, we would be naive to think that owning a business is always all peaches and cream. There can be sleepless nights when worrying about meeting payroll or getting an order completed and delivered on time to a good customer or handling an irate customer over a mistake that your employee made or whether to relocate the business and incur higher expenses when you are bursting at the seams.....or others too many to list here.

Notwithstanding the pros and the cons of owning a business, my experience is that once someone owns a business, they would never want to give it up to work for someone else ever again. Owning a business can be a very special and passionate experience and decisions about the business can cause wide-ranging emotions.

So, owning a business can be like living the American Dream. But, there always comes a time when that dream must come to an end. The dream ends because of the occurrence of "life events" that usually leads to a business owner having to transfer management and ownership of the business to someone else. Examples of life events are reaching retirement age, health problems, becoming burned out, divorce, partner squabbles, family tragedy, Peter Principle kicks in, planned successor decides to pursue another career path or many others.

The good news is that there is an abundance of people who desire to experience the American Dream of owning a business who you can sell your business to when a life event says it's time to do so. It's a beautiful thing when a business owner who has worked hard his or her whole life building a business is able to sell it to a new owner who intends to perpetuate the business and the business owner converts the "paper" wealth in the form of net worth on the balance sheet to "liquid" wealth in the form of cash or securities in your bank or investment account that solidifies, and often enhances, the financial quality of life for the business owner. Thus begins a new Dream for the former business owner as he or she enjoys the fruits of his or her labor.

Buying an existing business is generally far superior to starting a new business from scratch. The supply of buyers for businesses is usually bountiful. The concept of buying an existing business is appealing since the new owner gets an established location, a market-proven and accepted product or service, positive cash flow from day one, an established customer base and a more predictable Return on Investment (ROI) compared to starting from zero.

So whether living the American Dream as a business owner and being thankful for having that opportunity or being among the huge number of people desiring to own a business, there is lots to look forward to. Enjoy the dream while living it knowing that when a life event arises that tells you it's time

to put your business in someone else's hands to perpetuate, that the event has a great chance of liquefying your wealth as your reward for being a good business person. And for the fortunate successor to management and ownership of a business, get ready to smile as you begin living your version of the American Dream. And then some day, you too, will transfer the business to the next owner and you too will experience that thrill of wealth creation and having the satisfaction of knowing that you've "done well" for your customers, employees, family, and community. So it goes.