YOUR BUSINESS *MATTERS*™

Enjoy Your Business and Your Life





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Losing a KEY EMPLOYEE *Can Ruin Your* EXIT PLAN

You Can Take Action Now to Protect Your Business

By Ed Alexander

Matt called the office urgently wanting to talk. He owned a small firm, was in his 50's, and had been thinking about the future of the firm. Over the past couple of years, he'd developed two employees, Ken and Stacy, that he trusted with clients and important work. His plan was for them to eventually take over the firm – buying it from him when he was ready to retire.

Unfortunately, Matt never let Ken and Stacy know about the plan. One day Ken came into Matt's office announcing that he'd received an offer to become a shareholder of another firm and, though he loved working with Matt, he couldn't turn it down. In response, Matt immediately told Ken of the plan to make Ken and Stacy owners. But Matt couldn't convince Ken to stay. Ken even said: *I wish you'd have said something sooner.*

Having a key employee leave after you've spent time and money developing his skills is expensive and a big problem for small and mid size firms. I find most of the time it happens for two reasons: (1) the owner is reluctant to bring on a partner, or (2) he doesn't know how it will work and doesn't want to make promises that might go unfulfilled. There might also be a bit of 'if it ain't broke, don't fix it.'

The most important thing you can do to avoid this situation is talk to your key employees. What is important to you may not be important to them. Ask about their professional and personal goals. Do they want to be an owner of the firm? Or do they have something else in mind? Figure out what they want and how you can help make it happen.

After our call, Matt immediately spoke with Stacy. He discovered that she wanted to become an owner.

We discovered that part of Matt's reluctance to take action was a prior bad partner experience. We discussed the process to undo adding Stacy as an owner should something go wrong. That and his relationship with Stacy got him over the hesitance to implement an ownership plan for her.

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HOW WE CAN HELP

Alexander Business Law helps professional services firms and consultancies scale and exit their practices so they can start enjoying their lives and stop doing work they no longer want to do. Attorney and entrepreneur Ed Alexander has helped thousands of business owners achieve freedom and wealth with profitable, rock-solid exit strategies. If you would like to work with Alexander Business Law to achieve the same results for you, contact us at **(407) 649-7777** or **Kim@AlexanderBusinessLaw.com**.

FREE DOWNLOAD:

Selling your Florida Law Practice



Failing to plan your exit is one of the most costly mistakes you can make. Our guide explains the sale process and shows you how to estimate the value of your firm, how to prepare your firm for sale, and much more. To get your FREE copy, call **(407) 649-7777** or go to **www.LawPracticeExits.com**

HOW WE DO *the* HOLIDAYS

By Faith Alexander



Ed and I are different on so many things in our lives that it's a miracle we get along so well.

He drives a big Chevy Colorado truck. I drive a two-seater Mazda Miata sportster. He loves kayaking and camping. I love yoga and four-star hotels. He rides his many bicycles to work, on vacation, for exercise, and for fun. I bicycle on an e-bike just for fun. He loves the mountains. I love the beach.



Ed was raised Christian. I am Jewish. BUT when it comes to celebrating the holidays, we do them together. Our kids were raised celebrating both Hanukkah and Christmas. When they're home, we light the menorah together all eight nights, decorate the Christmas tree together, and open our presents on Christmas morning. Of course, Ed doesn't like things to be out of place for very long. So, he prefers the decorating not commence until December 15th and that it all be put away by New Year's Day (Bah Humbug). However, now that both of our daughters live a distance away, we decorate when they come to visit at Thanksgiving. Which is the way I like it. Both Ed and I believe in strong family traditions.

Just like working together in our professional lives, at home we work together to share our different upbringings. For our family the result has been a successful blend for almost four decades!

Happy Hanukkah! Merry Christmas! Happy Holidays!

Movie Trivia Contest

Win a $25 Starbucks Gift Card!

A favorite holiday movie for the family is, "It's a Wonderful Life" produced and directed by Frank Cappa and starring Jimmy Stewart and Donna Reed. It was first released in 1946 but was unsuccessful at the box office. Many years later it became a holiday classic watched by millions of people.

At the end of the movie what is the inscription written inside of the book that Clarence leaves for George?

The first two people to respond correctly will each receive a $25 Starbucks gift card. Email Faith@AlexanderBusinessLaw.com □

Congratulations to last month's movie trivia winners: Bill Reichert and Hunt Dawkins!

QUOTE OF THE MONTH

"Everyone wants to live on top of the mountain, but all the happiness and growth occurs while you're climbing it."

ANDY ROONEY
Journalist

You Can Never Have Enough Bikes





By Ed Alexander

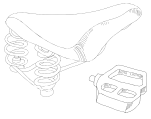
I love to ride and collect bikes. To me they're works of art and utility combined and you can never have too many of them.



A formula bicyclists' use to determine the number of bikes you "need" is N+1, where N is equal to the number of bikes you currently have.

Whoever came up with that formula is a genius, but it needs an update. There's an upper limit: the storage space you have or can beg, borrow, or use.

There are currently six bikes in our stable, four of which are mine and two are Faith's. Mine all have their special purposes: a full suspension mountain bike for single track (riding through tight trails in the woods), a feather light road bike that's the equivalent of a sports car, a steel touring bike that you can load with all sorts of gear for bike travel, and, finally, a gravel bike for riding dirt roads in the wilderness. And, of course, accessories. Lots of accessories.



Up until recently, the stable included a "plus" bike with 3" wide tires that was the monster truck of bicycles. Once you got it going, it would roll over anything, including Florida sugar sand.



But in August I 'just stopped by' the bike store. There I found the gravel bike. It was last year's model, on deep discount, and too good to pass up.

The only problem was there wasn't enough room in the stable for seven bikes. So, something had to go, and Faith wouldn't let me get rid of one of her bikes.

It was tough, but the plus bike went on Craigslist.

In most areas of my life, I value stability. Yet, looking back I find that I buy about one bike every nine months or so. So, I'll probably pick up another bike in a few months and sell one that's currently in the stable. I guess change is the only constant.

At least it's healthier and less expensive than cars or motorcycles. □

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Losing a KEY EMPLOYEE Can Ruin Your EXIT PLAN

The ABL Scale to Exit Program helped Matt determine his current firm value and establish clearer goals for his exit plan. We created a step-by-step plan to transfer the business to Stacy and other possible key employees over a number of years. This plan includes improving key business systems and value drivers to keep the firm growing and financially strong. Stacy received a letter outlining the steps and arrangements for her to become an owner. Once Stacy saw the plan, she became excited about the prospect of becoming an owner and happy that Matt was working to make it happen.

Matt was assured that, even though it would take some time to put the plan in place and finalize the arrangements with Stacy, as long as he was progressing towards the goal and kept Stacy in the loop, she wasn't going to show up in his office and give notice. Matt was able to strengthen one of his important business relationships, see a path towards growing and improving his firm, and implement his succession plan.

If you are considering selling your firm to your employee, schedule a call with Ed Alexander to understand what this means, and avoid costly mistakes. □

– Ed

THE ALEXANDER BUSINESS LAW
SCALE to EXIT Program™

Call 407-649-7777 to schedule a call with Ed Alexander

Discover how you can stop doing work you don't like, and start enjoying your business and your life.

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THANK YOU FOR YOUR REFERRALS!

This month, we'd like to thank Glenn Gutek and Jason Greene for believing we are the right firm to help their friends and business colleagues. Your support gives us the ability to reach more individuals and make a positive difference in their lives. If we can help anyone you know that needs our services, please send them our way!



A Personal Message From Ed Alexander

Happy holidays! In this issue of *Your Business Matters,* I discuss why it's so important to share your exit plan with key employees. Faith shares how we've embraced our differences to create unique holiday traditions for our family. Finally, check out this month's movie trivia for a chance to win a Starbucks gift card!

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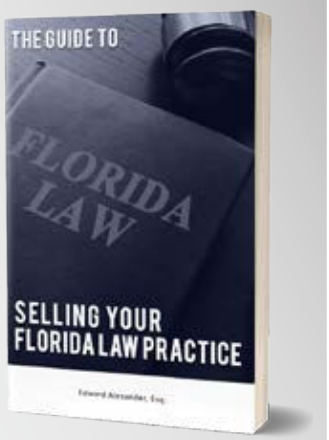

"Understanding and deciphering how much your law firm is worth is a difficult and complex task. You know it's more than just the furniture and computers, but you can't figure out how to account for those intangibles. Ed Alexander simplifies this process and shows you how to accurately estimate the full value of your firm. If you want to be an informed seller and make the choices that are best for you, you need to read this book!"

Patrick Wilson, J.D. Sr. Practice Advisor, Atticus

"The Guide to Selling Your Florida Law Practice is a true must-read for all solo and small firm practitioners."

Peggy Hoyt, J.D. M.B.A., B.C.S,
Board certified Specialist in Wills, Trusts, and Estates, and Elder Law

Visit www.SellYourFLLawPracticeCom or call: 407-649-7777 to request your free copy.

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