

## AUGUST 2023

### How a Vacation can impact Business Value

Business Owners, do you regularly take vacations? If you do, do you need to constantly be in touch with your business, key employees or managers? Can you be away and not worry about how the business is carrying on without your daily presence? The answer to these questions can have a profound impact on the overall value of the business.

Business buyers often ask the seller of a business if he or she regularly takes vacations. One of the strengths of any business is having key people in place. If a business owner can be away from the business for a week or two, and the business operates without daily input from the owner, it's an indication that the key people at the business can run it.

When a business sells, there is always a transition to the buyer taking over. depending on the type of business and the buyer's background and experience, the transition period can be a few months or a lot longer. If the selling business owner is critical to the success of the business, there is more risk to the buyer and a longer transition period may be required. Often when an owner must be involved in every decision, large or small, the employees aren't empowered to make decisions.

A few scenarios...the owner of a business heads to a second home out-of-state for two to three weeks every few months. Remote access allows the owner to know what is happening, but daily operations are handled by key employees. The owner of another business meets with his key employees every week to discuss the upcoming week. He is at the business daily but does get away for a round of golf with friends every week and regularly takes vacations with his family. He's needed but not necessary every minute of every day. Both of those businesses have ore value because of how the owners have it set up to run without their daily presence.

### EXPERIENCE WORKING WITH INTERNS FOR SUCCESS & PROFIT

These last six weeks, I had the pleasure of working with a 22-year-old young man from Iowa who was completing his NASA internship.

His degree, as you might have surmised, was in Aerospace Engineering. It reminded me of how many times I have worked with clients that have taken advantage of Interns to boost the productivity of their business.

This energetic young man was headed back to Iowa to finish a semester of school and complete his degree. The next goal on his list was to decide to start a job sponsored by his Father, an executive at Collins Aerospace in Iowa, or at Collins Aerospace here in Houston, or seek other employment elsewhere. It appears the opportunities for this young lad are in good order. Between 2021 and 2031, the United States will need 3,800 new aerospace engineers every year, according to the [Bureau of Labor Statistics](#).

### HIRING INTERNS: THE BENEFITS FOR COMPANIES

#### Gain new perspectives

Over time, some companies (especially smaller businesses) can become set in their ways. Sometimes, employers are so focused on running their business that they forget how important it is to freshen their perspectives and stay up to date with the latest trends in the industry. Interns are a great way to introduce new ideas and points of view to your company. They usually have freshly

Here is a scenario in which the owner of a business is critical. The owner has all the client relationships, knowledge of the business, and directs daily operations. A buyer for that business has to figure out how to make the transition to ownership and take on all of those responsibilities. This scenario can decrease the value of the business.

A business with more than one location has to have key people in place, as the owner can't be in all locations all the time. Developing managers is necessary and owners unwilling to empower managers find it difficult if not impossible to have more than one location.

Each business has unique characteristics and qualities. Business owners and how they manage their business will always impact the value of their business. Being able to take a vacation with minimal interruption is an important aspect for buyers to determine value.

It's hard for a business owner to objectively analyze their business. We as advisors to business owners tell them we learn a lot from buyers, as buyers look at the business and how it will operate after the acquisition. Things like "can the owner take a vacation?" do impact how they see risk and business value.

If you are interested in buying or selling a business, let us know what you may be considering. We will provide input based on our decades of experience advising business owners and business buyers.

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gained knowledge of the industry and, combined with their can-do attitude; they can be a source of creative ideas and innovative solutions. So, once you have them on board, don't forget to encourage them to share their opinions. Let them know their perspective is wanted.

### **Reduce your employees' workload.**

Hiring interns can be a great way to support your business and employees, especially during busier periods. Interns usually take on light administrative duties, alleviating your employees' workload so they can focus on other tasks. But interns are not just administrative assistants – with the right mentoring and supervision, they can also take on other, more serious tasks.

### **Train potential full-time employees.**

An internship could be a great way for you to train someone, get them acquainted with your business, and test their abilities before you hire them full-time. Think of the internship as a trial period that allows both you and the intern to decide whether your company is the right match for them. Another good thing about making interns full-time employees is that they already know their team members. They are familiar with the work environment, so there will not be a period of adaptation.

### **Promote your business among potential job seekers.**

If you do your job well as an employer, and your intern finishes their internship happy and content, it is very likely that they will tell other people about it. Word of mouth can be a powerful tool to spread the message that you are a reliable and trustworthy employer. This can result in receiving more applications for job openings and others.

### **'Boost your employees' leadership skills.**

Interns should always be paired with mentors or supervisors to make sure that they are learning new skills and doing their job well. This is a great opportunity to give some of your full-time staff the chance to showcase and develop their leadership skills. This will also allow you to see who has management potential if you are thinking of promoting someone.

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INSIGHTS**

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