

Announcer (5s):

Welcome to the maximize business value podcast. This podcast is brought to you by mastery partners, where our mission is to equip business owners to maximize business value so they can transition their business on their terms. Our mission was born from the lessons we've learned from over 100 business transactions, which fuels our desire to share our experiences and wisdom so you can succeed. Now, here's your host, the CEO of mastery partners, Tom Bronson

Tom Bronson (36s):

Hi. This is Tom Bronson and welcome to maximize business value podcast for business owners who are passionate about building long-term sustainable value in your business today is labor day in the United States. So I'm guessing that most of you are off work today. And if you are good for you, because taking time to recharge is important even more so when you're a business owner, more about that in a few minutes, let's start by talking about the history of labor day. This comes right from the history channel website, and we will provide a link to this blog post also in our blog post later on this week, labor day pays tribute to the contributions and achievements of American workers and is traditionally observed on the first Monday in September.

Tom Bronson (1m 32s):

It was created by the labor movement of the eight, the late 19th century, and became a federal holiday in 1894. Labor day weekend also symbolizes the end of summer. That's a shame for many Americans and is celebrated with party street parades and even athletic events. So labor day originated during one of American labor histories, most dismal chapters in the late 18 hundreds at the height of the industrial revolution in the United States, the average American worked 12 hour days and seven day weeks in order to eke out a basic living.

Tom Bronson (2m 16s):

Now, despite restrictions in some states, children, as young as five or six toiled in mills factories and mines across the country, earning a fraction of what their adult counterpart wages were. Now people of all ages, particularly the very poor and recent immigrants often faced extremely unsafe working conditions with insufficient access to fresh air sanitary facilities and breaks as manufacturing, increasingly supplanted agriculture as the wellspring of the American employment labor unions, which had first appeared in the late 18th century, grew more prominent and vocal.

Tom Bronson (3m 1s):

They began organizing strikes and rallies to protest poor conditions and compel employers to renegotiate hours and pay. Many of these events turned violent during this period, including the infamous Haymarket riot of 1886, in which several Chicago policemen and workers were killed. Others gave rise to longstanding traditions on September 5th, 1882, 10,000 workers took unpaid time off to March from city hall to union square in New York city, holding the first labor day parade in us history.

Tom Bronson (3m 46s):

Now, the idea of a working man's holiday celebrated on the first Monday in September caught on and other industrial centers across the country, and many states passed legislation, recognizing it Congress on the other hand would not legalize the holiday until 12 years later, when a watershed moment in American labor history brought workers' rights separately to the public's view on May 11th, 1894, employees of the Pullman palace car company in Chicago went on strike to protest wage cuts and the firing of union representatives on June 26th.

Tom Bronson (4m 30s):

The American railroad union led by Eugene V Debs called for a boycott of all Pullman railway cars crippling the railroad traffic nationwide to break the Pullman, strike the federal government dispatched troops to Chicago, unleashing a wave of riots that resulted in the deaths of more than a dozen workers in the wake of this massive unrest. And in an attempt to repair ties with American workers, Congress finally passed an act making labor day, a legal holiday in the district of Columbia and the territories on June 28th, 1894, president Grover Cleveland signed it into law more than a century later.

Tom Bronson (5m 20s):

The true founder of labor day has yet to be identified. So now, you know the story behind labor day, the holiday that marks the end of the summer for most of us. So let's turn our attention to something I mentioned earlier in this podcast. Taking time to recharge is important, even more so when you're a business owner, but maybe not for the reasons that you think now, of course, everyone performs better. When they've taken some time off to recharge, the batteries were relaxed. We make better decisions and we have a better attitude.

Tom Bronson (6m 2s):

When you recharge, you're taking care of yourself, both physically and mentally, it creates a healthier you and a better future. And believe it or not, it's good for your business. Now I know scores of business owners who say they can't take time off because the business just needs them every day. As many and many business owners thrive on being the person who makes the business tick. Now, unfortunately, when it comes to selling or otherwise transitioning the business. If the owner is the only one who knows everything, the one who makes it tick, guess what happens to the value of the business?

Tom Bronson (6m 48s):

When all of that tribal knowledge walks out the door owner dependency is one of the biggest obstacles to business transitions, a lower middle market business say from 5 million to a hundred million in annual revenue, is it that is owner dependent. We'll take a haircut on valuation, maybe as much as 25 to 40%, but a micro business under 5 million in revenue, we call those main street businesses. They might be worthless if something happens to the owner. Now of course, the way to solve this is to become expendable by increasing or I'm sorry, investing in people and systems and taking action to document all those things that

only the owner can do.

Tom Bronson (7m 40s):

Now. I've always tried to operate my businesses as an investor, rather than an operator. Investors are passive. When it comes to running the business operators are up to their eyeballs in it every day. And if you're a business owner who doesn't know if they're an owner operator or an owner investor, perhaps you should take a try taking a three week vacation and unplug. Now, if that sounds impossible to you, then you, my friend are probably an operator, but if it sounds delightful, you're probably acting as an investor, which makes your business more valuable.

Tom Bronson (8m 20s):

And I applaud you. I practice stepping away regularly. If the place is no worse than how I left it, I must be doing something right. The value of the business improves dramatically. The minute it is no longer dependent on the owner. Besides if an owner is tied to the business, that doesn't leave much time for other priorities like family or community or causes that you want to pursue. The more the business owner can become expendable. The more valuable the, so my friends this labor day, if you're one of those business owners who thinks that they're critical to the business, I invite you to step back and find a way to take some time off.

Tom Bronson (9m 10s):

It will make you and your business better, more productive, and way more valuable. This is the maximize business value podcast, where we give practical advice to business owners on how to build long-term sustainable value in your business. Be sure to tune in each week and subscribe to our channel so that you'll never miss a single episode. So until next time, I'm Tom Bronson reminding you to take the time to recharge your batteries because it helps while you maximize business value.

Announcer (9m 53s):

Thank you for tuning into the maximize business value podcast with Tom Brunson. This podcast is brought to you by mastery partners, where our mission is to equip business owners to maximize business value so they can transition on their terms on how to build long-term sustainable business value and get free value building tools by visiting our website, www.masterypartners.com that's master with a Y mastery partners.com. Check it out.

Tom Bronson (10m 38s):

That was perfect. I wouldn't make any changes.