
By William J. Goldsmith

[Print Page](#)

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Does Your Business Run You?

I own a business and grew up in a family of small business owners. My dad owned his own business, a factory in Fall River, MA, as did both of my grandfathers. So, I have tremendous respect and appreciation for someone who decides to start and build their own business. There are inherent risks with the decision to go out on your own. There are also many rewards. Each business owner has their own reasons for wanting to go out on their own: independence, financial gain, better control of their future, to create something unique or to provide a better service or product to name just a few.

There are very few things in life that can give someone the sense of accomplishment that starting and building a successful business can provide, not only emotionally but financially as well. For many owners, their identity and sense of self is so strongly tied to their business, that they cannot imagine what they would do without it. Aside from providing for their families, it also provides a sense of purpose for the owner. To some extent, there is also a sense of pride and ego attached with owning a successful business and the standing that owner may have in the community as a result.

For all of these reasons, many business owners are ill-prepared to eventually exit their businesses in a way that rewards them fully for all of their efforts. They are so focused working in their businesses that they do not work on their businesses. So often, the owner is busy dealing with the immediate issues and crises of running the business (cash flow, employee issues, customer needs etc.) that they lack the time or focus to deal with more strategic issues (succession planning, establishing systems and procedures, protecting against catastrophic losses etc.). This lack of time also prohibits them from focusing on their personal financial planning. Because, even though it is important, it may not be urgent.

Also, since the business is the main source of income for most business owners and often one of their largest assets, proper personal financial planning along with business planning is extremely important. Without it, there is a significant probability that the owner and his or her family will never fully enjoy the fruits of their labor. In the worst cases, there may be nothing left to enjoy and only debts to be paid.

So, if you own a business, I strongly urge you to think about your personal planning. What do you want your life to look like while you build and manage your business? What would you do once you exit your business? If you do not know what you would do or where you would go, then you will have a very hard time leaving your business. Also, if you do not consciously decide what your life should look like while you are in the business, chances are you may be neglecting other important areas of your life (family, friends, exercise, community service etc.). If we are not careful, it is too easy for our businesses to consume most of our waking moments and we can miss out on many of life's other joys. At the same time, if we do not coordinate our personal planning with our business planning, we may find ourselves wanting to make a change in the future and completely unprepared or unable to do so.

William J. Goldsmith, CFP®, CLU®, LIA is the President and Owner of LifeTime Financial Strategies, LLC, an independent financial services firm. Bill was born and raised on the South Coast and lives in Middleborough with his wife Lisa and their children. Bill can be reached by email at bill@lifetimfinancialstrategiesllc.com.

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