

Upcoming  
Events

**MBBI Illinois Breakfast Meeting**  
October 11, 2016  
8:00 AM to 10:30 AM  
Drake Hotel, Oakbrook, IL

**A Midsummer Night with MBBI**  
August 2, 2016  
4:30 PM to 7:00 PM  
Hotel Metro, Milwaukee, WI

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How is it going being Senior Vice President of that big company and making \$300,000-\$500,000 a year? How is it going being SVP and developing continuous income for the owner of the company? How is it going being SVP and creating wealth for a company you do not own? Do you want to own your own company and create your own wealth and set your own destiny?

These are not unusual questions to ask yourself. I am asking you these questions because it causes you to think outside the box and think about your potential as an entrepreneur. You're not alone in your thinking. Many people in similar positions think the same way after working in Corporate America for an extended period of time. Typically, 15-20 years. You have done a great job advancing your career along with increasing your annual income thus increasing your total wealth, but you don't own anything.

Have you ever been a salesperson? I ask this question because owning a business has a similar mindset when it comes to earning a living. A successful salesperson does a lot of "things right." We can get into those "things" later, what I am talking about is how a typical salesperson receives income in exchange for what he or she sells. For example, a salesperson typically makes some amount of a salary in order to help them pay their normal living expenses, but they usually make a commission and bonuses on top of their annual salary in order to come up with their total annual compensation.

Every successful sales person cares more about the commission they can earn versus the salary they are paid. This is extremely important to recognize. Successful sales people know they can earn unlimited earnings as long as they are successful. Many times "their" success is a direct correlation to how "they" perform. "They" like the ability for them to make as much money as they can physically make without restrictions. These sales people are typically the individuals in our economy who make over \$100,000 a year. In many cases they can make \$200,000 up to millions a year. Many times the salary they receive is less than 10% of their annual total earnings.

Why do I bring this scenario up? Because if you are not comfortable with earning an unlimited commission that you can control, then you will likely not be comfortable with being an entrepreneur either. That is fine, not everyone is cut out to own their own business. If this does not sound like a scenario you want to be in, then maybe look at finding a new position within your existing "Big Corporate America" company or look at a career in another company, but business ownership is likely not for you.

If this above example in being a sales person is appealing to you or you are already in this situation, then I am talking to you about potentially owning a business. Now, as you likely already figured out, I never beat around the bush and am very direct when I speak and work with individuals who are interested in either purchasing or starting a business. Let me tell you about some of the other significant things for you to consider if you are thinking of being an entrepreneur.

First, you will be working just as hard as you are now, if not more. It is not unusual for business owners to initially start out working 60-80 hours a week. They do this for a period of time, sometimes years, in order to grow a company and lead it to be able to run itself. In order for a company to run itself, you need to have highly skilled, competent and trustworthy people working for you.

Second, being an entrepreneur involves risk. Financial risk, emotional risk, family risk, marital risk and any other risk you can think of. Depending on the company and how big it is, you may have significant risk. When I say financial risk, I mean, you will be either purchasing or starting a business and you will have to use some of your own savings to inject into the project as equity. "Skin in the Game" is what most banks look for when someone wants to become an entrepreneur. This could also involve pledging your house or other investment properties as collateral. For this reason alone, many people decide not to become a business owner, unless you have the physical cash to do this alone. Pledging a house as collateral, even if it is a pledge of a 2nd or 3rd lien on the family residence behind a primary home loan, will be difficult to discuss with your spouse. Many spouses are reluctant to pledge the family residence. Do not underestimate this significant hurdle if you are going to purchase or start a business and you want to use leverage or a loan from a bank in order to be successful. They want to make sure you are "fully committed" to this endeavor.

Third, as mentioned above in the example of being a sales person, you need to be willing to be paid in commissions or as a business owner, in net income. The net income the business earns after paying all expenses is what you get to take home as an owner. You may pay yourself a salary as the person running or leading the business, but after everything is paid for, what is that bottom line? Is it positive or negative? Negative means you lost money. That is not good either. At least being a salesperson you can just earn less money if you are not successful. Being a business owner means you may lead the company and do everything in your power to be profitable, but you may have a net income loss. If you have a loss, where does that come from? It comes from "YOU."

Now that I have told you all the initial positives and negatives of owning a business, what do you think? Do you still want to own your own business? Many of the wealthiest people in this country are business owners. Do you want to be one of them? Let's have a discussion to find out. Call Tom Meyer at 847-899-3797 or email TMeyer@Centrustbank.com

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