

Transitions

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We are all getting pretty familiar with change these days. Some of it is good; some not so good – especially right now. One thing is always true: it's never ending.

One change that most clients worry and ask about is transitioning or selling their business. This transition *will* happen some day, and in one of two ways: a smooth and well-planned 'non-event' or a messy and expensive surprise.

Obviously, the risk manager likes the former way better, and he has a plan! Some call this an exit strategy and know it takes at least five years to do it well. Risk management and insurance are critical parts of this plan and need pro-active attention well in advance.

Da Plan, Da Plan ~

Here are three major areas of risk management focus where your advance planning and implementation will pay off in spades:

Manage your risks. Understand the key and evolving risks that can impact your business. Get input about these risks and how best to prevent them – ask employees, customers, vendors, and other professionals, for example. Make pro-active plans to both prevent losses and to recover quickly when something does go wrong. These efforts and investments can be the difference between getting wiped out and surviving to see your exit strategy actually succeed.

Document. Create an Operations Manual: all your processes and procedures need to be written down and regularly updated for smooth, reliable operations, robust quality assurance, and streamlined training. Don't forget the softer processes, like sales or customer contact how-to's, because these need to be documented as well. It's very hard to sell what's only in your or your top sales person's head.

Consolidate. Move as many of your insurance policies as possible to one professional and independent insurance broker. Don't let old quasi-relationships be your guide: choose your broker based on proven knowledge and service ability for your industry and business. Then convince him or her to consolidate all your policies to one renewal date.

My father likes to say, "I expect to be lucky." He also says, "If I'm not, it's my own damn fault." He has always been a planner!