

Hello everyone, this is Wayne Rivers at The Family Business Institute. Thanks for checking in with us, and as always, subscribe to our social media blogs, and you'll see there's links below, and let us have your comments. We'd love to know what you're thinking.

So, this week I want to talk about a book that actually came out in '07, and I was reminded of this book the other day in a conversation with one of our other consultants. I recommended it to him, and I said, "Golly, we've never done a blog on this book," so it's called *No Man's Land* by Doug Tatum. It is just as relevant today as it was when it came out 11 years ago.

The thing that has stuck with me for 11 years about this book was a couple of things really, but Doug says that small businesses ... And small businesses, we just simply define as anything that's not a public company. So there's 5007, plus or minus, public companies out there, and there's a few, maybe 10,000 that are quasi-public, aspiring to go public, owned by venture capital companies, et cetera, et cetera. So, of all the businesses out there, basically only about 15,000 are not privately owned by an individual or a family or whatever, so that's the vast majority of the 24 million businesses in America, are private businesses. So, congratulations! You are not alone. You are very much part of the majority.

What Doug Tatum says in this book is that small businesses, somewhere between the revenue ranges of \$10 million and \$50 million, depending on industry and some other factors, reach an inflection point, and I believe this. 10 to 50 is that perfect range. I think he's dead accurate here. And he says, at this inflection point, your business is too small to be big, but too big to be small. I've always thought that was incredibly profound. Too big to be small, but too small to be big. Wow. That is so perfectly descriptive. And in that period, in that inflection range in there, you are in no man's land.

So, what do you do when you're in no man's land? It's a very dangerous time. Doug talks about that most businesses, when they get into no man's land, fail because they don't know what they don't know. They've never run a business bigger than 10 million or 20 or 50 million, and they don't know how to get to the next level. They don't know what it takes. They don't know how to reinvent themselves and their companies to maximize their opportunities in the next level, and they get in over their heads, and they fail. So it's a very dangerous time. You wake up and you say, "Golly, I've never run a company this big. What do I do next?" Well, you know, it's not like you can buy a textbook. There's not a lot of entrepreneur textbooks that tell you step A, step B, step C. What do you do?

Well, Doug says, and I agree with this, you have to make a conscious decision at that point. You have to make a conscious decision either to go backwards and have a smaller, more manageable organization the way it used to be five years ago or whatever, or you have to decide to continue to grow, and that's horribly uncomfortable, and it's dangerous too. You have to invest, hire, suffer, go through periods of uncertainty, horrifying changes at times. You've got to learn new things, hire new people, just bring on new technology. You've really got to invest time, money, blood, toil, sweat, and tears in order to burst through that no man's land and come out on the other side with a much more organized and professionalized company.

Irrespective of industry, you can't get beyond a certain point, whether it's 10 million or 50 million or 100 million, without completely reinventing the company. And of course, if you're going to reinvent the company, that means you as the leader are going to have to reinvent yourself. You and your other senior leaders are going to have to reinvent what you do every day, because as the company grows and becomes more complicated, you simply can't put your hand on every lever and every toggle and every switch in order to make decisions every day. You have to get yourself out of the tall weeds of the operations of the company, and you have to transform into a leader and a businessman and a strategic thinker, rather than a hands-on doer all the time.

So, now, how do you know? How do you know when you're in no man's land? How do you know when you're at that critical inflection point? I think it's your gut. I think if you wake up every morning afraid, not knowing what to do next, feeling like you're in uncharted territory, you're probably in no man's land. At that point, you need to get help to help point you in the right direction about going back to a smaller, more manageable business or going bigger to something that has to be really worked on awfully hard and professionalized. And once you make that decision, that's the first critical item. After that, the pieces can fall into place pretty easily. But rely on your gut. If you think you're in no man's land, by gosh, make that crucial decision. Go back, and there's ... By the way, there's nothing wrong with that. If you've got a wonderful \$5 million a year business, what in the world is wrong with that? Not a thing in the world.

So, yeah, there's no harm in it. You may go back to a smaller scale business that's more manageable and easier to keep your hands on, or you may decide, by gosh, we have too much talent here, too many great people, too many great opportunities. We're going to burst through that ceiling, and we're going to professionalize the company. But either way, it's a very conscious decision. Trust your gut, trust your key advisors, and I think you'll know.

So, great book, *No Man's Land* by Doug Tatum. I recommend it. Please go out and get it. Thank you. This is Wayne Rivers. Goodbye.