

Over the last several weeks, I've discussed:

- How to sell a transportation business.
- How to evaluate a business;
- How important it is to be realistic on pricing expectations;
- I discussed the "mental" preparation that is necessary to "begin the process."
- I've "walked" you through the process, and;
- I identified the premise of "intellectual capital"

**A definition of "intellectual capital"**- is the knowledge, skill, capability of individual employees to provide solutions to customers, and to solving problems within a company.

**I indicated that "structural capital" consists of everything that remains when all the employees go home.** Databases, software, manuals, trademarks, organizational structure, and so on. **Strategic transportation Buyers, place a significant value on intellectual capital. To many strategic Buyers, intellectual capital is as important as financial capital and if you have such an intangible asset it creates additional value to your company's net worth.**

**During my last article, I cautioned you that, "just because an employee has been with you a number of years, does not translate into intellectual capital!"** I further, stated that if you have intellectual capital you need to be able to:

1. Define it;
2. Explain it;
3. Use it as leverage in the sale of your business.

**How do you define "intellectual capital," and create it. An example, is to look at your company, as a triangle, and look at your total employee population.**

- 27% are "takers" in life;
- 60% of employees have the goal of just making it through life.
- 10% are true achievers, and;
- 3% are real winners.

**This mix of employees cannot be defined as a company that has very strong "intellectual capital." The higher the true achievers and real winners are, directly defines intellectual capital, and brings additional value to a transportation Buyer.**

# THE AHERN ADVISORY

**in this issue**

Economic Consideration  
- Part 3



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**Therefore, let me define the problem areas. Takers-** their objective is to get something for nothing. **They have a synthetic self-image; are critical of others, can't admit their mistakes, often arrogant, negative, argumentative, and inconsiderate.**

1. How many do you have?
2. Can you afford them?

**Next;**

- **The majority of employees just want to make it through life.** They are the so-called **“someday honeys”.** **These people have self-poor image, sensitive to criticism, lack confidence, need other's approval, indecisive, poor self-discipline, and have low energy and drive.**
- **In order to increase your “intellectual capital”, you have to diminish the “takers” and the “someday honeys”.**

**Just as you have capital assets and liabilities, you have intellectual assets, and liabilities; if either set of liabilities are higher than the assets of a company; your business is headed for future trouble, and your lacking the intellectual capital that many transportation Buyers look for.** The “takers” and “someday honeys” are your intellectual liabilities. **In order for a business to grow, and excel;**

- You need achievers;
- They have to have a “good self” image;
- They are tolerant of others;
- Willing to accept ideas;
- Confident;
- Positive;
- Flexible and responsible;
- Work well with teams;
- Work well and understand others;
- **The winners, have great self-image, admit mistakes, communicate well, are goal oriented, persuasive, learn from mistakes, self-discipline, have humility, and have high energy and drive.**

**If you want to know what kind of “intellectual capital” you have, add up your “intellectual capital”- your employees..**

- Are your employee assets greater than your liability, or;
- **If your company personnel is upside down, it is time to make changes;**

**The question that you need to pose to yourself is:**

1. “How many wreckers do I have?”
2. How many “builders” do I have?

**Frequently, I hear complaints from business owners, on not having enough “capital”, about finding, hiring, and retaining good employees.** In other words, there is not enough human and financial resources.

- Underlining these problems are two other, more subtle, pervasive, and damaging issues.
- Usually the above employees either cause or magnify the problem.

**Next week I will discuss poor hiring practices coupled with micro managing.**

QUOTE OF THE WEEK: **“We learn best from experience, but we never directly experience the consequences of many of our most important decisions.”** (Peter M. Sengen)

**NOTE:** *In closing, I would like to thank many of you for your contributions to the St. Mary’s Food Bank. The initial response was overwhelming, and I am very humbled to have received such an outpour from the Community. For those of you that contributed, many thanks from the bottom of my heart. For those of you that are contemplating contributing, you will be doing yourself, your family, and the Community a great service, by helping others.*