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# Make Millions by Making Yourself Replaceable



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The more valuable **you** are to the business, the less valuable **your business** will be.

Ideally, as the business owner, you should be 100% replaceable. Unfortunately, many business owners try to make themselves irreplaceable without being aware that making themselves irreplaceable not only decreases the value of their business but also makes it much harder to sell.

The easiest businesses to sell have a wide universe of target buyers can be relocated anywhere in the U.S., and do not require its operator to have highly specialized skill sets.

Imagine you are selling your business, and the buyer must have highly specialized or unique skills to operate your business. Imagine further that only one in 1,000 has this unique combination of skills, abilities and talents. How hard do you think it would be to find and persuade this person to buy your business?

If the skills needed to operate your business are not easily found in groups of people who can be readily identified and targeted, selling your business will be harder. If running your business requires a rare blend of soft skills or personal attributes, finding a buyer will be more challenging. Hard skills are simpler to target because most of the groups of people who possess these skills have already been corralled in some form — for example, engineers would be easy to target through trade publications.

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For this reason, absentee-owned businesses are worth much more than an owner-operated business.

Most absentee-owned businesses are successfully run by a team of core employees or a management team, and assuming the employees will stay after the sale, then nearly anyone is qualified to purchase the business from an operational standpoint.

Streamlining your business is not a weekend job. Doing this properly may take you several years; however, once you've implemented these steps, your skills as an entrepreneur and manager will increase, and your business will be much more valuable as a result.

As you streamline your business and make yourself replaceable, you will build a business that is inherently more scalable. This scalability will lay the groundwork for you to continue increasing the value of your business or will make your business much easier to sell.

## ***Prerequisite 1 – Recognize the importance of marketing in scaling your business***

Unfortunately, we run into a lot of business owners who have spent years streamlining their business while neglecting spending time marketing their business to improve its value. As a result of a lack of investment in the marketing functions in the business, they lack the revenue

to pay competent employees to help them with the streamlining processes.

By focusing on marketing and growing your company, you will help grow revenues that will afford you the opportunity to hire a team to help you in scaling your business. Marketing your business properly, like running other functions in your business such as HR or finance, requires building systems.

## ***Prerequisite 2 – Learn to manage yourself before managing others***

One cannot manage others without learning to manage oneself. Managing yourself requires four things:

1. Learning new skills and improving existing skill sets (e.g., management, time management, sales, marketing, hiring, etc.)
2. Setting clear goals based on a sound strategy and then consistently staying focused on those goals
3. Time management skills
4. Energy management skills
5. Setting priorities based on the big picture

Goal setting, time management and energy management skills can be learned just like any other skill. Fortunately, learning is also a skill that can be developed. Learning is the master skill that allows you to master all other skills. The essence of gaining knowledge is to use it. The goal is to learn and create change in your life.

## ***Here's how you should streamline your business: build, document and automate***

To streamline your business, you have to:

1. Build a strong team of core employees or management team. ([‘Scaling Up’](#) and [‘Carrots and Sticks Don’t Work’](#)).
2. Build systems into your business and document your operations.
3. Automate processes in your business using technology or other systems.

These methods of streamlining your business involve using either human talent or technology. However, don't make the mistake of trying to rely solely on either people or technology. Most businesses must use both.

### **Option 1 – Build a strong team of core employees or a management team**

Streamlining a business, whether through technology or people, takes an enormous amount of time. Some entrepreneurs are not good managers and are not able to successfully do this. That is why their companies never grow from a small company to a mid-sized business and beyond. Management is a skill that is difficult to learn, but again, if you are a proficient learner, you can improve your skills in less than one year of intense and focused practice.

If you can build a strong team, they can help you build systems and automate processes in your business. Remember that building a management team or a team of core employees starts with hiring the right people and learning how to manage yourself first.

### **Option 2 – Build systems and document operations**

Building systems —processes, procedures and policies within your company — and documenting operations are almost impossible to do solo and are much easier to do with the help of a team. Involve your team in building systems and documenting the processes in your business. Be sure to hire employees who are willing to help you build systems (see [‘Carrots & Sticks Don’t Work’](#) and [‘How to Hire A-Players’](#)).

A lot of employees are reluctant to build systems because they do not want to make themselves replaceable. Yes, employees can be as guilty as you in trying to make themselves irreplaceable — if you allow them to. Ironically, an employee who can build systems is **irreplaceable**, and a rare employee at that. It is important to make your employees understand that their initiatives in helping you build systems will, in fact, make them more valuable to the business.

Run a lean business (see “[Running Lean](#)”), iterate fast, hire a strong first team, build and improve systems over time, and have your team help you document your operations.

### Option 3 – Automate processes using technology or other systems

Have your management team or team of core employees do this for you. They should understand that their job is not to work **in** the business as ‘technicians,’ but rather **on** the business as ‘entrepreneurs’, as what Michael Gerber explained in his book, “[The E-Myth](#).”

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 This article was written for Business 2 Community by Jacob Orosz.

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