



ENTREPRENEURS

No longer boss

Owners who stay on after selling firms often don't make 'good soldiers'

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Christopher A. Baker had two goals when he started his company, MailCode, in 1989: to build a successful business and to sell it one day. He achieved both.

What he had not taken into consideration were the challenges he would face as he stopped being the head of a small start-up and became a cog in the wheel of a major corporation.

In his case, it was Pitney Bowes, the producer of postal meters and other mailing equipment, that acquired MailCode, a builder of large automated postal sorting machines, in 2001 for more than \$20 million.

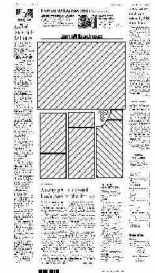
As part of the deal, Mr. Baker, 41,

continued to run MailCode for 18 months out of his hometown in Indiana. Then he moved to Pitney Bowes' headquarters in Stamford, Conn.

Although he said he was thrilled with the sale, Mr. Baker worried about what lay ahead — especially since he decided to take a position with the new owner.

According to Mitchell Schlimer, the founder and chief executive of the Let's Talk Business Network, a support network for chief executives and entrepreneurs in the New York area, about 90 percent of small-business owners who sell remain with the acquiring company, at least for a few years.

"They often don't stay longer than that because most entrepreneurs are not good soldiers," Mr. Schlimer said. "Not to say that some can't be, but most



entrepreneurs are all about the initial journey — that's where their strengths are, making something from nothing and all the creativity that goes along with it."

Like stepfamilies trying to blend together, the transition from single household to Brady Bunch is often harder than most entrepreneurs anticipate. The former owners have trouble giving up control, find the new office culture radically different from what they were used to or simply cannot bear to see what the new owners are doing to their creations. It can be wrenching even in the best of circumstances.

"It's like giving up a child," said Tova Borgnine, founder and chief executive of Tova Corp., a cosmetics company now owned by the televised home shopping company QVC.

Jerry L. Mills, founder and chief executive of business services advisory firm **B2B.CFO**, has helped hundreds of clients through the business acquisition process.

Most wrestle with the fact that they still have the responsibility, but

not the authority.

"They make decisions that are sometimes reversed by their boss. It's embarrassing," Mr. Mills said.

It can also be upsetting, especially when the new owners drive the business into the ground and the founder has to watch. In 1995, Christopher J. Asterino, co-owner of Asterino Associates in Albany, N.Y., sold his 10-year-old medical billing company for more than \$1 million and moved to Scottsdale, Ariz., to be vice president for acquisitions for the new owner, National Medical Financial Services.

He had a terrible time of it. For starters, he said, he found the relationship with his new boss "weird."

"The person who became my boss was the man I was negotiating with when I was selling my company," said Mr. Asterino, 46. He said he was also disappointed at how the new owners ran the business and dealt with clients.

Eventually, he said, he could no longer bear to watch. In 2000, he left and started another medical billing firm, Asterino & Associates.

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