

Can Absentee Ownership Work in a Small Business?

Many small businesses have owners who rarely show their face in the business and delegate operational responsibilities to a “manager.” Other owners work full-time in their businesses but certainly cannot be expected to be at the business from the time it opens until the time it closes. With this being the case, a question to ask is, “Can absentee ownership work in a small business?”

It’s All About Management

Some small businesses owners view their businesses as investments rather than an occupation. They may have a full-time job or be retired. Other small business owners work full-time in their businesses but need to leave periodically during the day or be away for training, to attend conferences or markets, or even take a much-needed vacation.

Whatever the situation is when an owner is absent, oftentimes there is a problem of available managerial talent. With a limited number of employees, experienced or fairly new, full-time or part-time, small businesses are forced to rely on this group of employees to efficiently run the operation. Some businesses operate in this setting with no problems. Others, however, fall way short. The answer, of course, is management.

Training Is A Must

Some employees will be as responsible as the owner even when the owner is not present; others will not be. Employees without management experience cannot be expected to temporarily step in for an owner and manage the business with the same effectiveness. So often, it is not for a lack of desire but due more to a lack of training.

With limited employees, frequently the “manager” in charge is whoever happens to have the most seniority on that particular hour or day when the owner is out. In defense of these employees, they probably have had no training on how to manage. They simply get thrown into the position by default. Sometimes, they might be given the authority to make simple decisions and tell other employees what to do. At other times, they may be given the responsibility to “manage” but no authority to really manage. The business runs in a haphazard manner during the owner’s absence even if for only a short period of time.

Management training is a must for small businesses just as it is necessary in larger companies. An employee cannot be expected to effectively manage without training. In a small business, this might be nothing more than the owner mentoring a manager designee during the day so when the owner is absent, the manager can step into the role, and the business continues to operate as if the owner was there.

Does It Really Matter?

Some owners might ask, “Does it really matter if I have a good manager while I’m gone for a short period of time?” In this scenario what the owner does not realize is the negative effect a poorly run business can have on a customer’s attitude. Maybe, an employee is discourteous to a customer. Perhaps, the general appearance of the business is messy and unsightly, or a host of other things that can ruin a buying experience for a customer. This short-time lack of strong management can affect the satisfaction level (or dissatisfaction level) of customers toward the business. Just one misstep might be enough for a customer to decide not to return, and the owner never knows the reason. One can only imagine how this situation is magnified when the owner is absent for a long period of time or rarely shows up at all.

Absentee Ownership Can Work

Absentee ownership can certainly work in a small business and does all the time. The key is having a strong manager during the owner’s absence. This is more than having a “rank and file” employee become a manager for a couple of hours or a couple of days. The task for small business owners is to mentor talented employees to be able to assume a managerial role immediately, if needed. An owner never knows when he will suddenly be called away from the business. Absentee ownership, strong management, and customer satisfaction are all related. Don’t let absentee ownership run customers to your competitors. Make absentee ownership work for you in the right way!