

INDEPENDENT RETAIL | BY TED ESCHLIMAN

Aging-Owner Syndrome

I've encountered a lot of music store owners in my 28-year career who accidentally entered the industry like me. When I graduated with a degree in music education in 1980, I had trouble finding an acceptable teaching job. I cruised into a local music store thinking, "Hey, I could sell reeds at this counter until I find a real job."

Over the years, those ahead of me either died or retired, and I moved up into management. I was offered the opportunity to be a junior partner (legally a limited-minority stockholder) with two senior industry veteran partners. Sometimes, I still wonder what I'm going to be when I grow up.



THE DANGERS OF A GRAYING INDUSTRY

At NAMM shows, I see the majority of guys my age and older in ownership positions. This apparent disproportion of gray hair — or lack of hair — bothers me. For one, it's a vulnerability. Despite the rapid change, there are retail values I've inherited worth passing on to the next generation.

There's another side that's even more devastating, what I'll call "Aging Music Store Owner Syndrome." Something happens to us in our 50s, partially biological, partially through an age-induced weariness: a sentiment that we've already paid our workforce dues or even a mounting crankiness that renders us resistant to change. None of these are good for us personally, and they are potentially devastating in an industry competing with other market forces hungry for young people's discretionary capital and devotion.

PASSING THE TORCH

We boomers have two significant responsibilities. First, we need to be willing to mentor and pass down what we know. Empowering younger middle-management can free us to further the big-picture causes in our industry, like local music advocacy. On a

more personal level, it also focuses us to work *on* our businesses, not just *in* them. (I don't know how many times I've heard that line in NAMM University sessions.) The second responsibility is to keep the energy going and fight the temptation to get comfortable and retreat before we formally retire.

Parents of boomers were programmed to think retirement began at 62, but with an increased life expectancy, we really shouldn't be losing the fire in our middle-aged bellies in our 50s. Does this sound contradictory, keeping the fire and turning over the reigns to the younger generation? Absolutely not. It gives

us the constructive forces of both generations working to stoke the fires of an industry that appears to be struggling.

The converse is devastating. If we don't marshal the industry's younger owners and management forces, subsequently letting the middle-aged coast to retirement, the whole industry implodes. The junior-partner succession model can be an effective one, though not an obvious choice outside of family-owned businesses. It requires the seniors to let some responsibility fall into the hands of the younger and the younger to respect the elder's traditions.

It also means giving up a little of something we own. Trading off this kind of financial investment to the younger by offering minority (but increasing) shares in the business, the elders benefit from the expansion caused by new energies when it comes time to sell. The younger become bound to stick it out longer.

When the time comes for retirement, the younger also aren't burdened with an insurmountable need for the quick, deep financial resources to buy out the rest of the business. For this to work effectively it takes planning and foresight, but it spawns a true win/win situation. The business maintains its value or increases, and it's in capable hands for the future. **MI**

Ted Eschliman is a 28-year industry veteran and co-owns Lincoln, Neb.-based Dietze Music.

'The junior-partner succession model can be an effective one, though not an obvious choice outside of family-owned businesses.'