

Getting it Done

Management & Financial Insights for Business Professionals

JANUARY 2026



Friend

During the course of our careers, we've all had experiences that stick in our minds. There are the successes we smile about when we look back. But there also are cases that ended poorly – *but not for our lack of trying.*

Early in my career, in fact, the first somewhat substantial case I'd ever had, the founding owner's son had taken the company to new heights in sales. At the same time, he had built a house of cards. The company was highly leveraged – and not profitable as a rule.

In the end, I resigned this case because, no matter how hard I tried, I simply wasn't being listened to.

As always, your comments and questions are invited.

Best Regards,

Gerry

To Sell or Not to Sell? - A Cautionary Tale



THE BACKGROUND

Sean was both smart and ambitious – and also the only child in the company founder's family with the outward potential to take over when the founder was ready to retire. At the same time, Sean really didn't understand that he had overleveraged the company - and that it was marginally profitable in a good year. More significantly, he wouldn't listen to people who gave him opinions he didn't want to hear. And truth be told, profits actually didn't matter to him all that much. He thrived on the action – and the hope that someday, his actions would lead to good results.

The company was one of five New England area distributors of parts and accessories for recreational vehicles. All five were struggling, to various degrees, during my time with the company and Sean's was moving towards the brink.

The company was the sole New England distributor of a key product line offered by the leading U.S. manufacturer of RV parts and accessories. That was a good building block, but nothing more.

WHAT HAPPENED

Hired to help plan for the coming year, it took me several weeks of data gathering to get a clear picture. At that point, I suggested, as strongly as I could, that I start conversations to see if any of Sean's competitors had an interest in buying the company. Sean refused with the thought that word would get out about his problems – and that his sales would drop dramatically. Eventually, for lack of cooperation, I resigned, but did speak with Sean from time to time as a courtesy. When the end of high season came, his other four competitors had all made moves and Sean now had two strong competitors instead of four. Even more foreboding, Sean had lost his key supplier due to contract violations. Eventually, I learned the bank discovered that Sean had reported inflated receivable balances and it was game over.

LESSONS LEARNED

1. Usually, the idea that competitors don't know a company is having trouble is fantasy. It's best to assume that people know – particularly the ones you don't want to.
2. Pro-activity is absolutely crucial when a company is struggling.
3. Business owners need to understand that selling their business, combined with the right employment agreement, is often the best direction for their future.

Pathway Advisors LLC is a specialized business advisory firm focused on helping our clients effectively resolve their most significant profitability, cash flow, banking, operational, and organizational challenges. Most often, the solution we help execute is a sale transaction, a refinancing or a full or partial wind down. We pride ourselves on the ability to analyze issues quickly, develop plans to solve them efficiently, and leverage our deep relationships in the financial and business communities to do so. Pathway has helped over 450 companies throughout the eastern half of the US.

Gerry Sherman 617-699-2756
gsherman@pathway-advisors.com

Richard Katzman 617-935-3581
rkatzman@pathway-advisors.com

Pathway Advisors, LLC | 145 Wood Road | Braintree, MA 02184 US

[Unsubscribe](#) | [Update Profile](#) | [Constant Contact Data Notice](#)



Try email marketing for free today!