

*As Seen In The Minneapolis StarTribune on October 15, 2007*

## Flying out of the corporate safety nest

*Seeking greater professional fulfillment, Nina Goldberg and Doug McGregor began working for themselves.*

**By Todd Nelson, Special to the Star Tribune**

Anyone who has put in a decade or two at a public company or professional firm likely has thought it: I could do better, be happier or both, on my own.

It's a passing impulse for most, but some do take the entrepreneurial leap. Those who do assume greater risk in return for what they hope will be a more fulfilling, and more rewarding, independent work life.

Doug McGregor left the corporate world to start Rational Equity, a private equity firm in St. Paul that buys and operates middle-market software companies. Nina Goldberg set aside her legal career to become a dealmaker at Faelon Business Brokers in Golden Valley.

Both bring relevant experience to their new endeavors. As a lawyer, Goldberg specialized in trust and estate work, just one of several critical areas she can address with clients in her new position. McGregor ran corporate divisions, some of them start-ups, and did merger-and-acquisition work for public companies.

"I haven't 'done a 180' from being a lawyer to [being] a circus performer," said Goldberg, formerly of the Minneapolis law firm of Mansfield Tanick & Cohen.

"I really think it's a function of your own assessment of what you're good at, what you like to do and how you do it best. ... The skills I have and the experience, all the things that I've gathered along in my career, are things that are transferable to other areas."

McGregor, whose career included positions at Unisys and SoftBrands, said corporate America is good for certain personalities. Just not his.

"I think it's control over your destiny," McGregor said of starting his own company. "If you look in the mirror and it didn't work, you can say, well, it was your doing, good or bad. That probably was the biggest motivation. I was getting frustrated. ... I wanted to go out and do my own thing, try to prove to myself I could do this and run a better business than what I was experiencing."

### **Redirection and reinvention**

Reinventing yourself professionally-- adding skills, setting new goals, increasing your value to your current employer or future ones -- likely will only become more of a necessity for white-collar employees as corporate jobs become less secure. Some, like Goldberg and McGregor, will strike out on their own.

If this sounds familiar, that was one of the themes highlighted in last month's column on Sally Power, a management professor at the University of St. Thomas Opus College of Business and author of "The Mid-Career Success Guide: Planning for the Second Half of Your Working Life."

The book stemmed from Power's own redirection of her academic career, which saw her move from a dissatisfying administrative track to a more rewarding specialty as an expert in career management.

While not aimed primarily at entrepreneurs, her book, published last October, focuses on what Power identifies as a new kind of career and a new kind of career management, offering strategies that employees and entrepreneurs can use to build their careers in different directions.

Power calls her model for career management Employability Plus, which she defines as employees' ability to get jobs they will enjoy at the same or greater levels of reward. Building on experience helps reduce the risk of making such moves, Power said.

McGregor set himself up for a successful transition because he understood the business he was going into and knew how to get customers once he was on his own, she said.

Goldberg's new position enables her to further develop her strengths, Power said, but she would face another transition to managing the business if she eventually buys into the new firm.

"A major reason for people to open their own businesses or to be free agents is the attraction of autonomy," Power said.

#### **From lawyer to broker**

Goldberg had known Tom Lyons, president and founder of Faelon, through professional networking for a couple of years before she began working at his firm last June.

That idea came after she read a profile of Lyons and Faelon in this column last March.

In that piece, Lyons made a point of saying he hoped to recruit a couple of younger partners-to-be as part of his own exit strategy. (A second newcomer, Mike Hart, also joined Faelon after reading that earlier column, Lyons said.)

Goldberg, a graduate of William Mitchell College of Law, had practiced law for 15 years before joining Faelon. "I had been doing some soul-searching, I guess, about frankly what was fulfilling and where I wanted to grow in my career," she said. "I loved the people I worked with, but there was something missing. I just wanted to have deeper relationships with my clients."

As a business broker, Goldberg can use her legal experience to help business owners make sure they're asking the right questions of their accountants, financial planners, trust and estate attorneys and other professionals before they sell a company.

At Faelon, Goldberg works largely independently to find and close deals on her own.

#### **Taking the gamble**

McGregor, who describes himself as something of a gambler, took what may be the biggest gamble of his life in September 2006, when he left his corporate position to start his private equity fund.

He wrote a private placement memorandum and within 60 days attracted more than enough investors to raise the money he needed to open Rational Equity. He and his wife, who have two children in college, also put a good deal of their savings into the fund.

McGregor wants both to acquire a company and, in a departure from most private equity firms, run one.

He is targeting software companies with \$5 million to \$25 million in revenue that would sell for up to \$20 million.

Once he buys a company, he will move to wherever its headquarters is and oversee operations. "A lot of the companies I look at are stagnant," McGregor said. "They're looking for the entrepreneur who probably started it to leave and get a fresh start from someone who has done this before and would have a vision. That's my competitive advantage against another private equity fund."

Through internal growth and further acquisitions in the same field, Rational Equity would have a bigger, more successful company to sell at some future date.

"I made a lot of other people a lot of money," McGregor said. He's looking for his turn now.

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