THE TRANSFERABLE VALUE INDEX

The Last Thing You Let Go Of

A letter from the founder, and the first findings from an ongoing measure of how closely held businesses hold up without their owners.

52
businesses assessed through July 9, 2026

11 of 12
questions average above 3.0 on a 5-point scale

2.94
who decides what comes next — the lowest of the twelve

A LETTER FROM BYRON McFARLAND

The Last Thing You Let Go Of

By Byron McFarland, Founding Principal

Years ago I took a friend fly fishing who had never held a rod. He hooked a good fish early, which is the worst thing that can happen to a beginner, and I watched him do everything wrong. Too much slack. Rod tip low. I stood there with the net and felt the pull every fisherman knows: reach in, take over, land it for him.

I didn't. He lost the fish. And on his fourth or fifth hookup, fighting it his own way, he landed one. He still tells that story. Nobody tells stories about the fish someone else landed for them.

I've spent thirty years working with owners of closely held businesses, and I think about that afternoon more than I expected to. Because owners do let go. That part of the conventional wisdom is wrong. They delegate operations. They hand off client relationships. Many of them even hand off sales, which surprised me. What the data from our Transferable Value Index shows is something more specific, and more human: letting go happens in an order. And there is one thing that reliably comes last.

We ask owners twelve questions about how their business would hold up without them. Across every respondent, eleven of those questions average above 3.0 on a 5-point scale. One sits below it: who decides what the business does next. Innovation. Direction. The question of where this thing is going. It scores 2.94, the lowest of the twelve.

Here's the part that got my attention. That pattern holds even at the top. The owners in our highest-scoring bracket, the ones running what we call Transferable Enterprises, have done the hard work. Client relationships score 4.58. Closing new business, 4.12. But deciding what comes next still trails everything else at 3.30. These are owners who built a business designed to run without them, and they kept one hand on the rod anyway.

I understand why. The vision was yours before the business existed. Operations can be documented. Relationships can be transferred. But handing someone the authority to decide what the company becomes feels less like delegation and more like letting a stranger finish your sentence.

The trouble is that buyers, lenders, and successors price this in, whether or not anyone says it out loud. A business that knows what to do tomorrow only when you're in the room carries your name on it in a way no diligence process misses. The last thing you let go of turns out to be the thing that most determines what the business is worth without you.

None of this is a criticism. Holding on to direction is the most natural instinct in ownership. But it helps to know the pattern, because the pattern means the work left to do is probably narrower than you fear. Most owners we measure have already let go of more than they give themselves credit for. What remains is one discipline: standing at the water with the net in your hand, watching someone else fight the fish, and letting them.

It's harder than fighting it yourself. It's also the only way they learn the water.

Byron McFarland

Founding Principal, The McFarland Group

Connor Lacy, John Bruckner, and Byron McFarland (left to right) on a recent fishing trip to the Snake River.

THE FINDINGS

Owners let go in an order

The Index asks twelve questions about how a business would perform — and keep performing — without its owner, across two dimensions: Business Durability and Owner Independence. Across 52 businesses, three patterns stand out.

01 Most owners have already let go

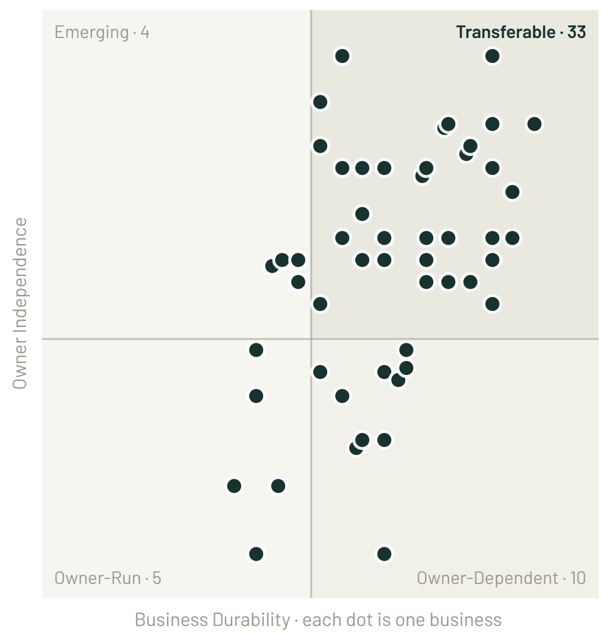
The stubborn founder who cannot delegate is more legend than data. Thirty-three of the 52 businesses score high on both dimensions — durable operations that also run without the owner.

Owners hand off operations, client relationships, even sales: bringing in new clients averages 3.79 of 5, the third-highest of the twelve questions we ask.

The distribution is lopsided. Only nine of the 52 fall short on durability — the business itself is rarely the weak point. The strain sits on the other axis: ten companies land in Owner-Dependent Success, strong performers that still lean on the person who built them.

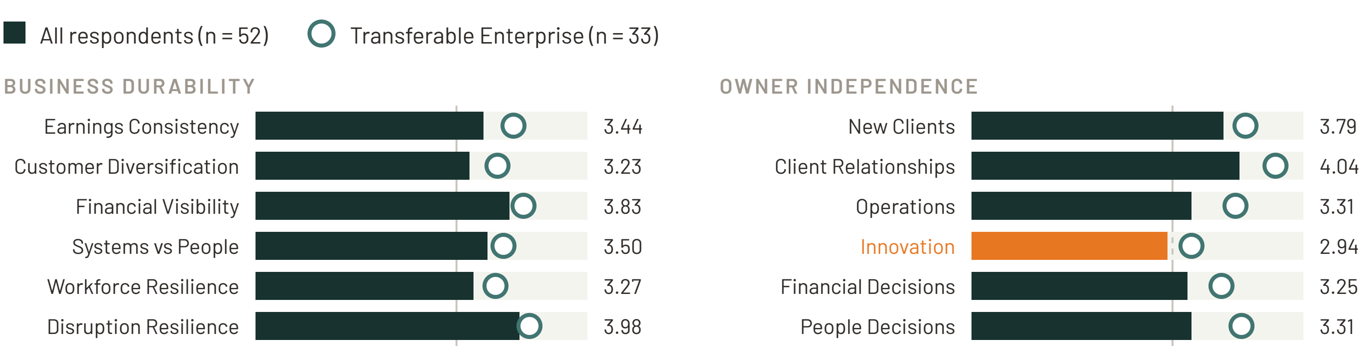
These owners have built businesses that perform, but not yet businesses that perform without them — the distinction buyers, lenders, and successors price directly.

BUSINESS DURABILITY × OWNER INDEPENDENCE



02 But direction comes last

Eleven of the twelve questions average above 3.0. One sits below it — who decides what the business does next. At 2.94 it is the lowest of the twelve, and the gap to the next-lowest, customer diversification at 3.23, is wide.



Average score, 1–5. Higher = holds up better without the owner. Dashed line marks 3.0. The orange bar is Innovation, the only question below 3. Based on 52 assessments through July 9, 2026.

03 The pattern holds even at the top

Among the 30 strongest businesses — those scoring 70 or higher overall — 18 still have the owner alone deciding what to pursue next. These are owners who built a business designed to run without them, and kept one hand on the rod anyway.

In the Transferable Enterprise bracket, client relationships average 4.58 and new-client development 4.12 — real, transferred trust. Yet direction-setting still trails everything else, at 3.30.

WHO DECIDES WHAT COMES NEXT · TOP 30

18 owner still decides what comes next

12 handed to the team, or shared

Why the last dimension matters most

Buyers, lenders, and successors price this in, whether or not anyone says it out loud. A business that knows what to do tomorrow only when the owner is in the room carries the owner's name on it in a way no diligence process misses. The good news in the pattern: most owners have already let go of more than they realize, so the work that remains is usually one discipline, not ten — putting the direction on paper, widening the room where the next bets are argued, and letting one decision run without taking it back.

ABOUT THE INDEX

Twelve questions across two dimensions — Business Durability and Owner Independence — each scored 1–5, with dimensions reported out of 30 and the combined index on a 100-point scale. A dimension scores High at 18 of 30.

THE COHORT

52 assessments submitted through July 9, 2026, with duplicate submissions counted once. The Transferable Value Index is The McFarland Group's ongoing measure and will report again as the cohort grows.

See where your business lands.

The assessment takes about four minutes.

transferablevalueindex.com

The McFarland Group

Go Boldly with The McFarland Group

4601 Catalyst Court, Suite 3055, Omaha, NE 68106
(402) 891-2300 · info@themcfarlandgroup.com