

3 Holiday Conversation Starters for Exiting Business Owners

Happy Holidays!

Are you one of those baby boomer business owners who is thinking about an exit in the next three or four years? 80% of business owners have never sought any advice about planning for the sale of their company. (*That statistic from an article by Sageworks, published earlier this year in Forbes.*) Other sources suggest that less than 7% of retiring business owners ever discuss their plans with anyone, even their spouses, until they have an offer on the table.

We often write about the risks and failure rates of changing ownership and leadership in a company. Perhaps those dismal odds could be changed by starting the conversation about your plans earlier. It's unlikely the holidays are a workable time to start the planning with your usual cast of trusted advisors, the CPAs, attorneys and management consulting professionals. However, you are likely to be spending time with your family. The holidays might be a great time to find out their thoughts on the subject.

Here's a short list of questions to get the conversation going:

1 – What's your vision for our family after I sell the company?

The goal of this question is to find out about your family's hopes and dreams for post-CEO family life. It is likely to provide insights about things they wish were happening now. You might use the information to start making some changes in the short term.

2 – If I sell the company in the next few years, how do you see that affecting you?

This is your opportunity to find out what either scares or excites your family members. Is your spouse concerned about changes to their routine or decision authority once you are not at the office all day? Are your kids concerned about their college tuition? Are they excited about being able to take family trips? Maybe your grandkids are looking forward to you being able to come to their sports events.

3 – If it were your decision to make, how would you go about deciding when to retire?

Family members love to give advice, sometimes unsolicited. This is their chance to chime in with your permission. What are the underlying concerns you hear in this discussion?

These three questions are intended to provide you with information. We recommend that you practice your listening skills here. Keep the conversation light and fun. Avoid challenging or debating the answers you receive. The goal is to gather as much information as possible in a casual comfortable setting. After all, holiday gatherings are intended to be fun, positive memory creating events.

Bake on it (holiday pun intended). Give yourself time to process the information you learn. Use it to inform and clarify your own plans.

At Corporate Insight Strategy, we recommend that exiting owners start their planning at least three years in advance. That time frame gives you time to gather information, test your assumptions, and make any business changes needed in terms of processes, procedures or personnel. The earlier you start, the more options you have on the table.

Enjoy the football and the pie!