



No Regrets for These Former Owners



This issue brought to you by:

Clarke Langrall, CEPA
Forecast Strategic Advisors
clarke@forecastadvisors.com
<http://www.forecastadvisors.com>

For the past several issues of this newsletter, we've talked at length about why and how to do the planning necessary (using a comprehensive, seven-step Exit Plan) to leave your company when you choose, and for the amount of cash you want. Yet some owners wonder about that day after closing. What will they do?

To address these questions—and to help you avoid the vacillation and procrastination that can result from uncertainty—we asked former business owners to share their thoughts about life after the sale. Comments like “We are having the time of our lives!” and “Life is good” are the norm, not the exception.

Of course, each owner approached his or her sale differently and has pursued different interests in its aftermath. Let's look at their stories.

Tom Frankl was 62 when he sold his high-tech manufacturing firm. He was prompted to sell first when his accountant introduced Tom to Exit Planning and helped him put in place a successor management team. Complementing this concrete Exit Planning step was Tom's realization that his emotional connection to the business was loosening. When these objective and subjective events converged, Tom began working with his advisors to orchestrate a sale.

Bill Townsend, the owner of a clothing and apparel manufacturing company, entered his business with one goal: reach \$50 million in sales and sell out. Bill reached that threshold and determined that he'd have to make a huge investment to retain his current market share so he hired a transaction attorney and an investment banker and sold the company.

Unlike Bill, John Six, the 55-year old owner of a low-tech manufacturing company was not focused on an eventual sale. In fact, he didn't want to sell because he felt he finally “had it going just right.” When confronted with the idea that the time to sell was when there was upside potential, John started thinking about the hard times he'd been through. If hard times returned, he wondered if the company could survive and knew that the “upside” would be the least of his worries. He, too, made the call to his advisors.

Having all arrived at the closing table via different routes each now-former owner has found similar satisfaction in the decision to sell and in life after the sale.

Tom arranged his sale so that his employees kept their jobs and gained greater career opportunities. This gave, and continues to give, Tom great peace of mind. While he did not have a detailed plan in place for life after the sale, he quickly found new outlets for his energy. He has become the “Park Superintendent” of his 70-acre property. He spends time with his wife and family, travels the world, is considering developing some farmland, and has taken an active role in community philanthropy. In Tom's words, “One of the things I appreciate most in this 'retired life' is that it isn't a 'retired life' at all.”

John echoes Tom's comfort with this decision. “Of course I wondered what I would do [after the sale] because I was in that business for 30 years. But the day I walked out of there I never looked back. I never missed it. It's incredible but my schedule is calendared 18 months ahead.” On John's calendar are motor home vacations, developing an industrial park and expanding his world-class collection of racecars. John leaves the house by seven each morning and doesn't find his way home until late afternoon.

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The Exit Planning Review™
is published by
Business Enterprise Institute,
Inc.
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Townsend, the planner of the group, anticipated that he would need a place to go to—outside of his home—on the day after the sale. Before closing he rented and equipped an executive suite and mapped out his first three months after the sale. He spent time on his hobbies (golf, horses and motorcycles), educated himself about investing, advised other business owners and managed his own portfolio until he died last year at age 71.

Many owners remain “stuck” in their businesses because they can’t envision what life will be without business ownership as part of it. Yet as these owners (whose names we have changed) demonstrate, many successful owners do figure out and live a fulfilling and successful “second half.”

By any yardstick these former owners remained engaged and vital even after leaving their companies. They moved to a new era in their lives, one untroubled by financial concerns. If you would like to read or learn more about other owners who have exited their companies successfully (and about the process they used to do so) please contact us.

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