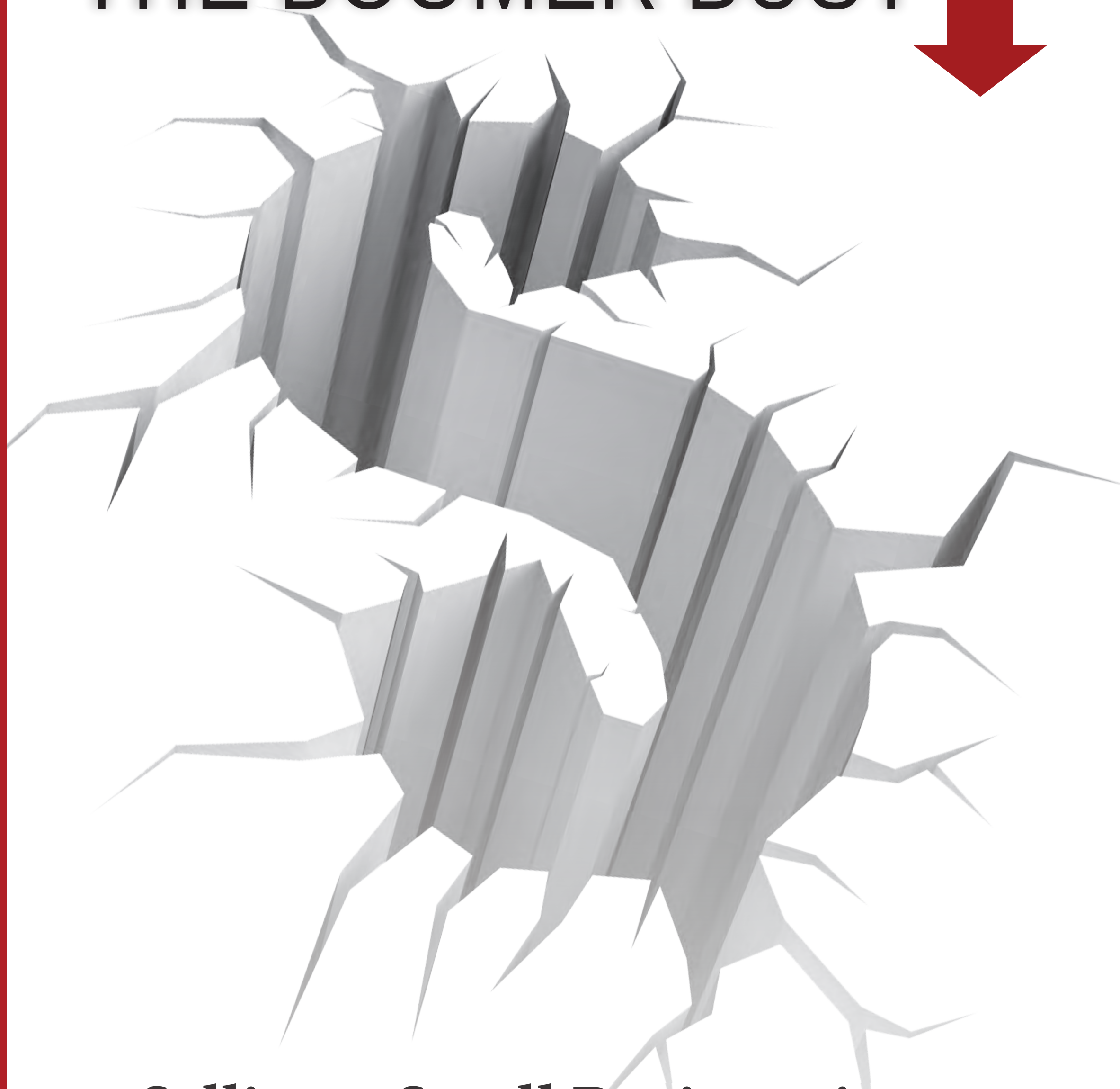
BEATING THE BOOMER BUST



Selling a Small Business in a Challenging Marketplace

BY JOHN F. DINI, CExP, CEPA
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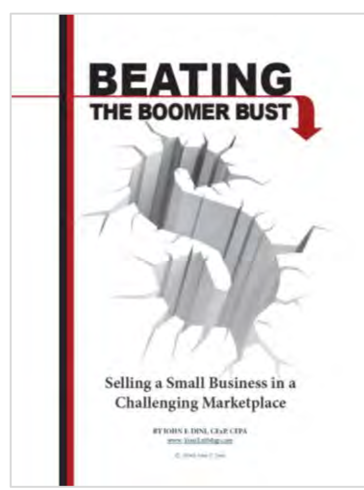
Beating the Boomer Bust:
Selling a Small Business in Challenging Times
is provided courtesy of The ExitMap®

We hope you enjoy this brief look at the enormous impact that the most entrepreneurial generation in history has had on business, trends and life as we know it.

Complete the 15 minute Assessment at
yourexitmap.com/exit-planning-assessment
so you can examine the overall preparedness of your company for a successful exit in the most competitive market in history.

Baby Boomer retirements will peak at nearly 500 unsold businesses a day within the next 5 years resulting in an inevitable competition to sell in a buyer's market.

Will <u>YOUR</u> company stand out from the crowd?



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The Tsunami

In 2007, I wrote an article for the local business journal titled "Boomer Bust?" Since then I've become fascinated with the effect that the Baby Boom generation has had on small business in America. Boomers were the proverbial "pig in a python" at every stage of life, and the tail of that snake is coming. It will have just as big an impact as all the changes that went before.

This is the product of years of research, and over 20 years of helping business owners prepare to leave their companies. I'm convinced; actually I am certain, that small business owners in America are ignoring a tidal wave of change that, just like a real tidal wave, will leave a few small businesses untouched while wiping many others from the face of the planet.

That's why this small book starts with "Why." First it will help you understand how Boomers became such a dominant influence on small business ownership. Then you can better prepare for the task of appropriately monetizing your investment in your business.

It's only about the numbers

Am I being dramatic? Absolutely! Am I being overly dramatic? Not in the slightest. Peter Drucker once said *"I don't predict the future. I look at what has happened already and point out the inevitable result."*

A few years ago, I set out to learn whether the birth rate curve of the Baby Boomers was duplicated in other areas of American society and the American economy. Not only did that prove to be the case, but the correlation is shockingly perfect. When the Baby Boomers reach an age where specific life activities would normally be expected, the incidence of those activities escalates overnight (with one notable exception that I'll discuss a bit later,) in volumes not seen before or since, and exactly corresponding to the birth rate increase that started in 1945.

Describing it as a tidal wave isn't at all metaphorical. Like a tsunami, it is well documented. The causes are known. It is traveling at a defined rate of speed. Its arrival is both inevitable and on a schedule. It will get higher and more dramatic as it approaches the coastline (Boomer retirement ages,) and those who ignore the warning signs will be very, very sorry.

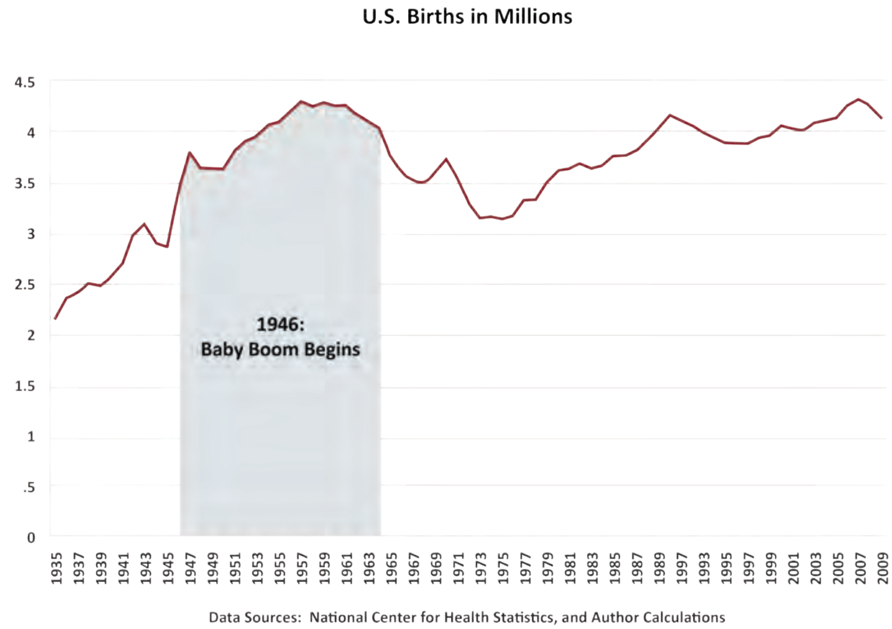
The impact will be universal, but I am going to focus on the implications for small business owners. Those who are exiting now will still have some options between selling to a late-stage Boomer and selling to Generation X, and should know what the differences are. Those Boomer owners who are planning to move on (perhaps not retire – another topic we'll address) in the next 10 to 15 years need to understand the changed market that they will be selling in. Late-stage Boomers should be building a very different business than the ones they started or purchased. Post Boomer entrepreneurs need to assess the many opportunities that these changes will create.

Let's start with defining the Baby Boom. Most of us know what it is, but it's more than just a mere demographic description. Since this entire eBook will be about the inevitability of numbers, we should put the Boomers in an economic context. Their numbers helped determine the personality traits of a generation, and of the generations that followed.

What was the big deal about a bunch of babies?

An important fact to understand in our discussion is that the Baby Boom is largely an American phenomenon. We were late to join World War II, and suffered far fewer causalities as a percentage of our young male population. In addition, the US was never a battlefield in the war, so our returning armies were discharged into a healthy infrastructure, with an industrial base fully geared up for maximum production.

In 1945, as the GIs began returning from WWII, the US population was 140 million, and the birthrate was about 2.8 million. That number of births had been roughly consistent, between 2.5 and 2.9 million, from 1900 onward, with one noticeable dip in the middle of the Great Depression.



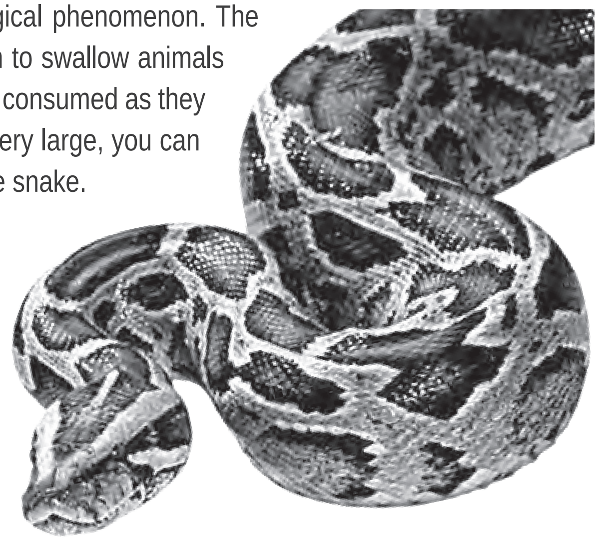
In 1946, the birthrate exploded to 3.47 million, a 24% increase in one year! New births broke the 3.5 million mark for the first time in 1947, 4 million in 1954, and peaked at 4.3 million in 1957. They didn't fall back below 3.5 million a year until 1971, and then didn't reach the 4 million mark again until 1989.

In 20 years, (1945-1964), the United States had added 78 million new, natural-born citizens to the population. By 1965, the US population had grown to about 195,000,000, which meant that ***two out of every five people in America were less than 20 years old!*** Today, we would consider that the profile of a developing nation.

This was the uniquely American phenomenon that was to influence everything for the next fifty years. The impact of the Baby Boom has changed social and cultural mores, the job market, business structures and economics. As they exit the workplace, the Boomers will have one more giant shift to their credit, and it will change the face of small business in America.

If you are a Boomer business owner, know a Boomer business owner, or provide services to a Boomer business owner, I encourage you to share this with them. By the time we reach the end, I can promise you that you will view the next ten years in a whole new light.

The Pig in the Python



The Boomers are often compared to a well-known biological phenomenon. The python family of snakes have hinged jaws that allow them to swallow animals much larger than their heads. These animals are gradually consumed as they pass through the snake's digestive system. If the prey is very large, you can plainly see the shape of the animal as it moves through the snake.

It is just as easy to identify the progress of the Baby Boom generation through the American population. Whatever stage of life the Boomers were experiencing, the country was experiencing. And we all experienced it together. Although the pure size of the Boomer generation underlies a lot of its impact, there were two other factors, *commonality and competitiveness*, that greatly enhanced it.

I grew up in the industrial Middle-Atlantic Northeast. "Ethnicity" in my world meant Polish, Italian, German or Irish. Of course we had discrimination, bigotry and ghettos. I cringe at some of the racist nursery rhymes I was taught by my friends. (Thankfully, if I recited them at home my parents quickly explained why those words were bad.) But we didn't have Jim Crow laws, or poll tests, and although my schools were largely white, it was as a reflection of the neighborhood, not of the law.

I had no idea what rhubarb or okra were until I was an adult. I had never heard of ice fishing. Iced tea came in one flavor; if you wanted it sweet you put sugar in it. When I was 20 or so, I remember reading a debate in a restaurant industry magazine about whether America was ready to accept a regional ethnic food as mainstream…pizza!

I had a pizza parlor on virtually every corner. It shocked me to realize that everyone else didn't. Pizza Hut was a brand new concept. There was no Papa John's, Little Caesar's, Sbarro's or California Pizza Kitchen. Dominos was a regional company in Detroit.

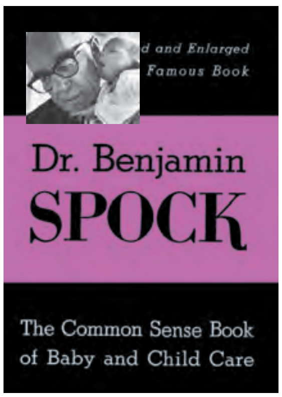
Like most early Boomers, I grew up in a culture that was defined by regional and ethnic dominance. Children had for generations grown up with roughly the same attitudes, the same ideas, and the same habits as their parents. They just hadn't experienced much else.

The new consumers

Then came television. The first stations broadcast in the late 1930's, and television was a huge hit at the 1939 World's Fair in New York, but WWII had put a stop to production of TV sets. Returning GIs were ready to spend on consumer goods, and factories built for wartime electronics production were more than ready to deliver. In 1948, the first networks began broadcasting syndicated content, and in 1951 color televisions first became available. The oldest Boomers were 6 years old.

Unlike almost every other country, the United States developed television as a private enterprise. As in radio, content was paid for by commercial advertising. In fact, many of the consumer brands that made radio so successful were the first to move headlong into the new medium.

Thus people watching television became "consumers." The success of a show was determined by the number of products it sold. How long do you think it took for these advertisers to figure out that *two out of every five people in the country* could be targeted as a distinct audience? For the first time, a generation was identified as a market, and sold to by age, not by the regional or ethnic orientation of their parents.



The WWII generation had already proven their willingness to spend on their kids. Scarred by the Great Depression, they focused on working to give their kids the things they had themselves lacked. They started by making Benjamin Spock's 1946 book, *The Common Sense Book of Baby and Child Care* a huge hit, buying 500,000 copies in its first six months. Children's toys, books and shows quickly became an entire segment of the marketing industry.

(An aside: I've always been curious about Gene Roddenberry's selection of a name for the First Officer of the Starship Enterprise. Was there some subliminal appeal that helped make *Star Trek* one of the most popular Boomer shows in history?)

For the first time, children were growing up encouraged to perceive themselves as children. They weren't little adults in training. They weren't just future farmers, or future factory workers. They were taught by parents and advertisers to think of themselves as children first and as the life successors of their parents second.

And, for better or worse, 78 million of them were all being raised pretty much the same way, at the same time.

Something all Boomers have in common

Commonality made the Boomers a cohesive force in the American culture and economy like no generation before them. But sometimes that commonality took on the aspects of a school of fish, where thousands of individuals all turn in the same direction at the same time. This happened again and again and, as you will see, not least in the transformation of small business in America.

When it was combined with Boomer competitiveness, it changed everything.

The Brass Ring

A long, long time ago (I've actually ridden only one such in my lifetime) carousels had a spring-loaded sleeve of brass rings protruding near the innermost (and least popular) track of horses. A bigger kid could lean out and yank a ring from the sleeve with considerable effort, and be rewarded with a free ride.

Today, of course, we can't even read the description of such an ill-conceived device without cringing at the thoughts of fallen children, their bodies horrifically mangled in the giant gears of the turntable, and the litigation and public outrage that would follow. Times change.

"Reaching for the brass ring" has become a metaphor for chasing success. The massive number of Baby Boomers alone would have affected the economy regardless of their other tendencies, but their *commonality and competitiveness* raised that impact by an order of magnitude.

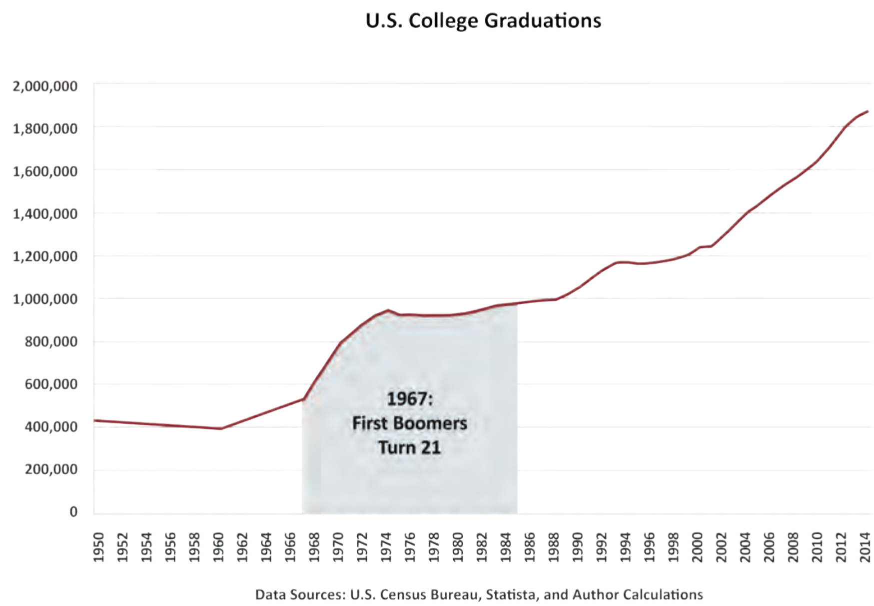
If you are a Boomer business owner, I defy you to say that you've never complained about the work ethic of the younger generation. From the mid 70's to the mid 90's (prime time for Boomers in the workforce) American white-collar workers saw the rise of an average work week from just over 40 hours to almost 54. This while our European contemporaries were campaigning for (and winning) 35 hour weeks and ten weeks of vacation. What made American Boomers so competitive?

The numbers. There were simply too many children, adolescents and adults to accommodate at every stage of Boomer life cycles. Just as the impact of ageing Boomers leaving the workforce will come as a surprise to most, so the flood of people into schools, homes and jobs took the majority of businesses (and government) by surprise.

I attended public schools in the 1950's where 45 or 50 children were the norm in a classroom. It had nothing to do with unenlightened teaching methods or weaker unions. There simply weren't enough classrooms. Between 1945 and 1957, the annual number of new births in the country increased by 53%, from 2.8 million to 4.3 million. They couldn't build schools fast enough.

When I started college in the late 1960's, they were pulling trailers into muddy fields and calling them community colleges. There weren't enough universities for all those who wanted to attend. And when I graduated and applied for a position in corporate America, their hiring offices were like the Department of Motor Vehicles, with group testing and rows of interviewing offices.

It was a time of plenty in America, but there wasn't enough of what the Boomers were seeking. The "Spock Babies," as we were called, had been raised to believe that every one of us could, and should, succeed. We all expected the corner executive office, but there weren't enough places for everyone.



From 1967 (beginning when the first Boomers turned 21) through 1976, the number of graduates from American colleges with four-year degrees increased from just over 500,000 to one million annually. In raw numbers that's an increase in the twenty years the Boomers went to college from just over 8 million college graduates in the workforce to about 28 million, a 300% leap. This doesn't even count the two-year degrees conferred by the over 400 community colleges opened in the 1960s to handle the overflow.

In a single generation the average number of college-educated workers in the US workforce rose from 6% to 24%, approximately the same percentage today, some 40 years later.

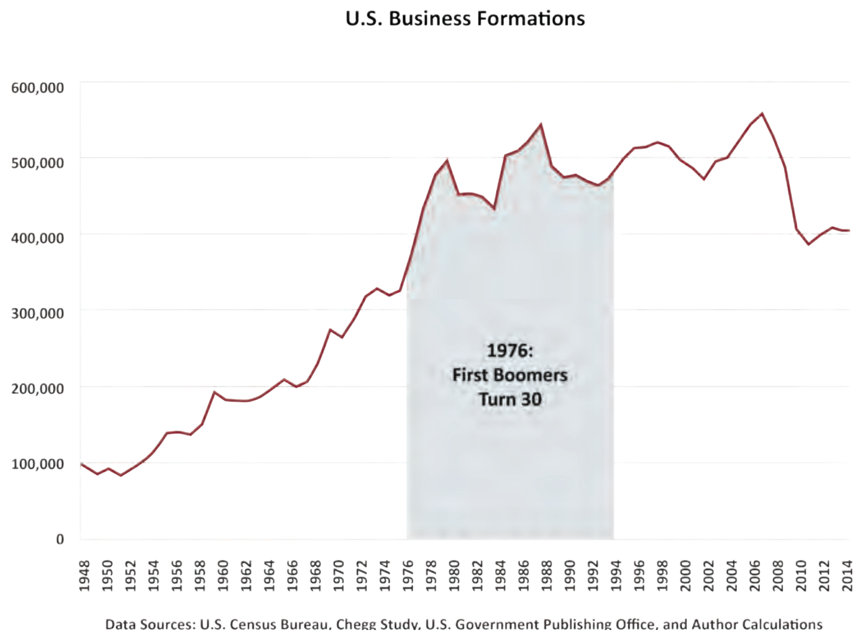
Baby Boomers competed for the better places in schools and for admission into the better universities; and then competed fiercely for jobs when they graduated. Once employed, they were part of a glut of other qualified Boomers; roughly the same age, and with similar qualifications. The brass ring went to the ones that worked hardest, longest and smartest. An entire generation accepted competition as a way of life. It was a numerical inevitability.

Where do you go when there isn't enough room?

Many Boomers were squeezed out by the numbers, or were disinclined to engage in a battle for promotions and raises. They still wanted the gratification that Dr. Spock (the author, not the character) said they should have. They still expected the brass ring.

They went into business for themselves.

In the decades leading up to 1975, new business formations in the United States had grown incrementally from under 250,000 annually to about 300,000. Then the 30-something Boomers stepped up. Between 1975 and 1986 the formation of new businesses in America more than doubled from 300,000 to over 500,000 annually.



By 1990, when the oldest boomers turned 45, the number of new business formations had fallen back to 450,000 a year. It remains at that level today. Although the US population grew from 190 million in the middle 1980s to over 320 million today, the number of business startups has remained flat. Once again the Boomer Surge created a one-time shift in a major component of the American economy. Not surprisingly, it has not been duplicated since.

The massive number of small businesses in the United States, the source of 67% of all new job creation since 1995, is clearly the product of millions of Boomers who sought success outside traditional wage-paying jobs. For the first time since the industrial revolution (when production consolidated into large enterprises,) America became a “nation of shopkeepers” again.

Boomers are two and a half times more likely to own a business than the generations before or after them. These are the businesses that are now being sold. Whether there are enough buyers is another question.

Work-Life Balance

The term “Work-Life Balance” is widely cited as first occurring in the United States in 1986 in a research paper. I can’t identify the specific source of this much-referred usage, but it is telling that it would pop up when the last Baby Boomers had just turned 21. They were all in the labor pool, and their competitiveness was rapidly becoming the norm in the workplace.

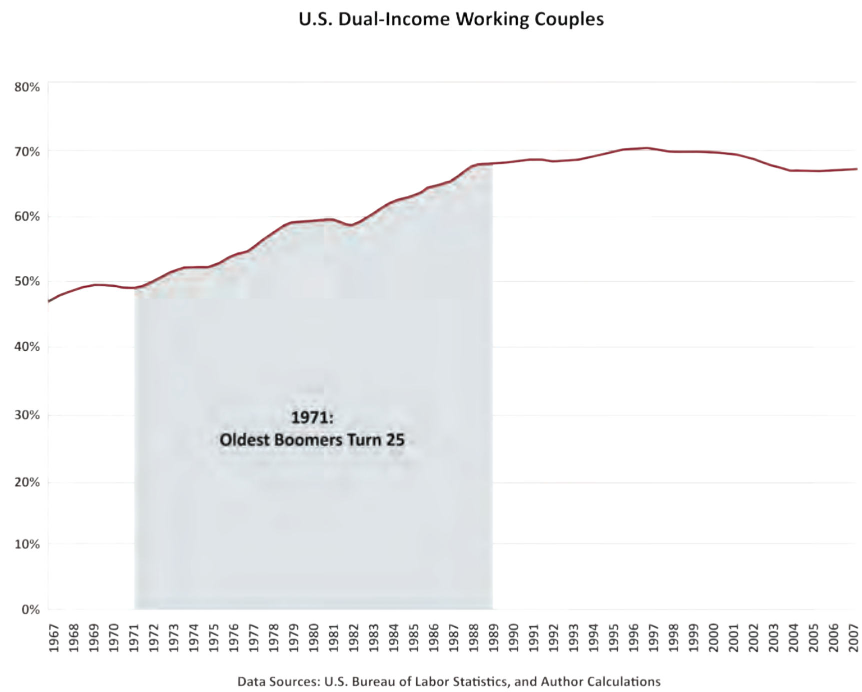
In the period beginning in 1912, the Federal Government began passing legislation to limit the number of hours that could be demanded of a worker without additional compensation. With the passage of the Fair Labor Standards Act of 1938, the concept of a 40 hour work week was enshrined in national labor regulations.

In the decades following WWII, the average work week hovered between 39 and 41 hours. As the Boomers assumed their dominant role in the workforce, however, it began to climb for the first time since prior to the Great Depression, and by the mid 1990's was in excess of 47 hours a week for the entire working population (and an estimated 54 hours for managers.) The race was on!

A nation of producers

Just as it doesn’t take an economist to understand why having a lot more people creates additional demand, so it doesn’t take a PhD to explain why working more produces more. Combine a generation that was 50% larger than its predecessor, and have that much larger labor force work 20% more, and you have a rising tide that has carried the US economy through the next four decades.

But even those factors don’t fully explain the force that was the Baby Boomers. Driven to succeed, they sought new ways to increase household income. One of those became obvious. As the university system opened up to women, educated and ambitious Boomer moms were pressed into service as wage earners. The two income family became the new norm.



Between 1970 and 1980, while the US population increased by 11%, the workforce grew by an astonishing 29%. Over one million women entered the workforce for the first time…each year!

"Work-Life Balance" wasn't a term before the Boomers, simply because it wasn't a widespread issue before the Boomers. The returning WWII GIs didn't wrestle with the dividing line between work and life. There was work, and then there was life. You left the office at 5:00 (or the plant when your shift ended,) and came home to your life. In the idealized middle-class family, Mom had spent the day caring for the children and preparing dinner. Weekends were for outings and backyard time with friends in your new subdivision home.

Boomers abandoned that model by the millions. Although the wife still assumed the bulk of the duties of child care and food preparation (and does today,) she had to fit it in around a work week spent supporting a lifestyle of success.

A nation of consumers

In 1984, when the Boomers ranged from 20-40 years old (prime child-bearing time,) Chrysler Corporation introduced one of the greatest product successes of the decade; the minivan. Built on a car chassis so women could drive it more easily, it had the first feature that acknowledged automobiles as something other than transportation - cup holders!

Now families had mobility that accommodated their need to feed children in between school and activities and home. McDonald's installed its first drive-through window in 1975. The oldest Boomers had just turned 30. Mom became an efficiency machine, going from work to school to soccer without ever getting out from behind the steering wheel.

In a foreshadowing of what happened to many products that depended on Boomers to support them, over 1 million minivans were sold in America in 2004, when the youngest Boomers turned 40. By 2007, just three years later, minivan sales had dropped by 80%, to just over 200,000. The Boomers were now in their 40s and 50s. More affluent, they could afford to move up en masse to SUVs. (Everyone had cup holders by then.)

The Boomers had reshaped society, first as children, again as working adults, and now as parents. This reshaping went much further than simple productivity. In their quest for identity through work and material success, the Boomers were about to engineer the biggest change of all.

A shrinking market

Since 1776, with a small drop during the Great Depression, every generation of Americans has begun promptly producing a new, larger generation upon turning 20 years old. The Boomers broke that mold. Their need for higher education and early focus on potential careers delayed their marriages and child-bearing by years. Once they began having children, the challenges of juggling job and family, along with medical advancements in birth control, led them to have fewer children than their parents did.

As a result, the tenth generation born as United States citizens (known by their Roman numeral as “Generation X”) was smaller than the Boomers that preceded them by more than 15,000,000 lives.

By now, you have had enough basic education regarding the economic effects of rising and falling populations to understand the implications of a shrinking work force. It is no coincidence that the suffering economies of Europe, Greece, Italy, Spain and Portugal have been among the lowest birth rates in Europe for the last 30 years. Fewer workers are simply bad for an economy.

Generation X will impact retiring Boomers through more than just numbers. They grew up in minivans, watching their parents work longer and harder in pursuit of success. They aren’t impressed by the results, and are returning to values that separate work from life.

That may be good for them, but it isn’t promising for Boomer business owners on many different levels.

Outsourcing America

The Baby Boomers created seismic shifts in American culture and economics throughout their lives. Their mere numbers caused much of the shift, but their competitiveness and commonality enhanced the impact at every stage of their lives.

In the mid 1960's, as we've discussed, the Boomers delayed having children. Unlike every previous generation, they chose to work longer and accumulate, or at least spend more, wealth. The "trough" of birthrates was lowest between about 1968 and 1978. By the early 1980's, the Boomers began their delayed child-bearing in earnest. That was the Millennial Generation, born between 1982 and 2000.

Competitive parenting

As the parents of Generation X and Millennials, the Boomers didn't suddenly abandon their defining characteristics. They became *competitive parents*. Parenting became a performing art. Peer pressure made competitive parenting into a status symbol as they set out on a quest for ultimate child development.

The Boomers had two possible ways to approach perfect parenting. The first way requires a huge commitment of time. Mom stays home, and Dad is home as much as humanly possible. You pour your time into giving attention to your children. You engage them in all household activities, such as gardening and cooking. You do their homework with them, and teach them how to play sports. You practice with them, and dedicate evenings and weekends to their development.

That road to perfect parenting doesn't leave much space for dual career households seeking the upper reaches of the socioeconomic ladder. You can't work lots of overtime, bring work home, play golf with customers on weekends, or go out for career-enhancing social events if you are spending every spare minute delivering instruction and experience to your children.

To a smart, educated, and efficient parent the solution was obvious. You outsource all that stuff. Outsourcing traditional parenting chores created dual productivity opportunities. It saved time for Boomer parents who were focused on career-building, and it created business opportunities for those who couldn't, or wouldn't, compete in climbing the traditional career ladder of corporate America.

Boomers serving Boomers

Business model franchising was first established in the 1940's, beginning with businesses that offered prepared food to replace home-made meals. From 1976 (when the first Boomers turned 30,) through 1987 the number of franchises sold in the US skyrocketed from about 2,000 to 22,000 annually. Stop and absorb that for a moment. Franchises sales increased by 1,100% in 11 years! The number of annual new sales then leveled off at that number in 1986, and remains roughly constant through today.

Competitive Boomer parents had an answer to their time constraints; one that still suited the drive to give their children the best of everything. Little League became merely the first step in sports development. If you were serious about supporting your child's sporting prowess, you paid for year-round leagues, traveling teams and private coaches. The same logic justified martial arts classes, music teachers and tutors for school subjects. All the small businesses providing those services were owned either by individual entrepreneurs or franchisees.

At home, busy parents could "buy" time by outsourcing not only cooking, but house cleaning, laundry, yard maintenance and repairs. "Do it yourself" faded as a point of pride, replaced by hiring an expert to do it better.

The explosion of franchising was fueled by the rising tide of Boomers serving Boomers. They provided both the service providers and the consumers who paid for those services. By the 1980's, the portion of the US Gross Domestic Product from services had risen to over 70%.

For franchisors and their franchisees, the model fit Boomer ambitions beautifully. Once established, franchisors had a ready market of hard-working ownership prospects. Many, and probably most franchises are driven by the personal efforts of the franchisee. He or she often opens the business, closes it, and delivers or supervises the delivery of most of the services.

Franchisors are relieved of the expensive, time-consuming roles of motivating employees and managing the day-to-day operations. They don't need to set sales goals or create growth incentives; Boomer owners do that all by themselves.

What happens when franchisors run out of middle-aged Boomers to buy and drive their growth? The youngest Boomers are now in their late 50s, and are no longer prime candidates for start-up ventures. The oldest Boomers are rapidly (at a rate of 400 every hour) moving out of their peak outsourcing consumption years. The following generations have little interest in imitating the Boomer workaholic lifestyle.

The Boomer Bust begins

On August 6, 2011, Standard and Poor's Sovereign Credit Rating Unit downgraded America's debt rating from AAA to AA+. The next day the head of the unit, David T. Beers, was asked in an interview to estimate when the top rating might be restored. He replied, *"What Americans have to understand is that this country reached its demographic peak ten years ago."*

The largest and most competitive generation in history has moved past its most productive years. From driving a growing economy, they are now collecting the social benefits they were promised. The Baby Boom is over. The Boomer Bust is starting.

The X Factor

What will happen to the millions of Boomer-owned businesses when it is time to hand them off to a generation that is smaller, has very different values, and has far more options?

There are two sides to every business transaction, a buyer and a seller. For most of the last 50 years in America, the Baby Boomers have been the biggest buyers in history. They bought homes and cars to spur the economy after World War II. They bought franchises to provide services for each other as busy parents. They bought SUVs and McMansions when they became the affluent middle-aged.

Squeezed out of a corporate America that didn't have room for them, and which couldn't offer the clear path to success they had been raised to expect, the Boomers formed new businesses in numbers unmatched before or since.

When you put the five factors that the Boomers brought to the American economy side by side, the impact is breathtaking. They were:

1. The largest generation in American history, born into a (then) much smaller country.
2. Better educated, increasing the number of college graduates in the workforce by six fold.
3. Harder working, raising the average workweek while the rest of the advanced economies were reducing it.
4. Mass adopters of the two-income household, increasing the percentage of citizens in the workforce.
5. Entrepreneurial at a rate two and a half times greater than previous or succeeding generations.

These factors combined to make the period from 1965 to 2005 the longest sustained expansion in the history of the country.

Generation X vs. Boomers

This generation, beginning with the babies of 1965 and continuing through 1982, is a big problem for Boomers who are preparing to sell their businesses. The issues are three-fold: numbers, values and choices.

We will first discuss the numbers, since they are the most powerful argument for what is to come. We cannot change the birthrates of 40, 50 or 60 years ago. All the people who were born between 1945 and 1964 are born. There will not be any less of them. Those born between 1965 and 1982 are the same, there won't be any more.

This is a deep dive into the statistics. It may be a bit tedious for some folks, but it is critical to understanding the scope and impact of the problem.

Numbers

Even on the face of it, the numbers aren't favorable for the Boomers who will be selling their companies. The Xers number about 62 million in total, at least 16 million, or about 20%, fewer than the Boomers. That may not sound like a lot, but think about how profitable your business would be with 20% fewer sales.

Twenty percent of any market is a chunk. If your market is the entire United States of today, taking 20% off the table would mean removing California and Texas.

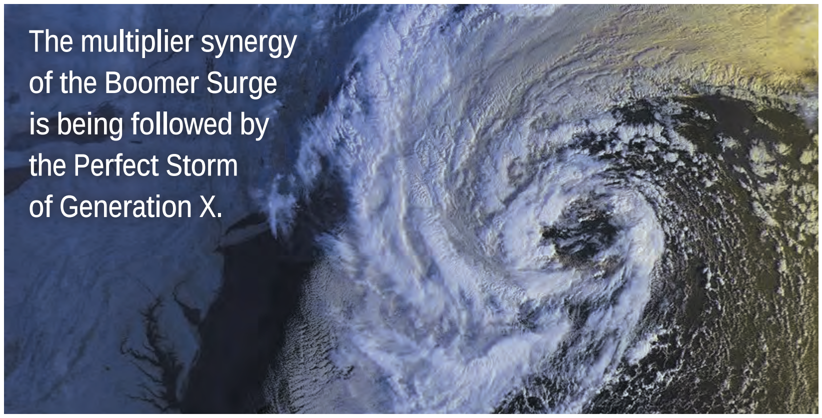
Most markets aren't the entire country, however. Starting with the Boomers as children, marketers have increasingly segmented and targeted age groups for their products. Shrinking a target market by 20% means fewer prospects to sell to, and the small businesses being sold will simply have fewer prospective buyers.

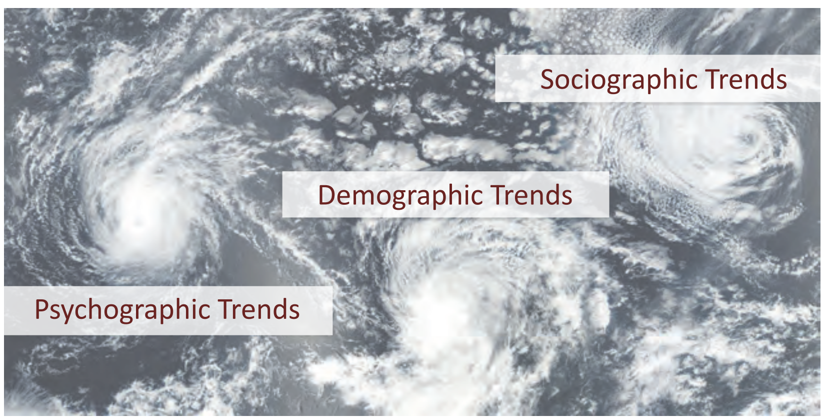
The impact is even more dramatic when the curve of births is examined. Boomer births peaked in 1957 at 4.3 million. Gen X births declined steadily from 1965 through 1973, when only 3.1 million babies, 28% fewer than in the peak Boomer year, were born. For the period from 1953 through 1957 almost 21 million Boomers were born. For 1973 through 1977 there were just under 16 million new X'ers.

That means from 2018 through 2022, when those babies hit 65 years old, almost 5 million fewer people (23%) will be turning 45, and entering their prime business buying years. What happens to pricing and competition when you start out with 3 buyers for every 4 sellers? Now add to your calculations the Boomer 2½ X ownership rate. In other words, two entrepreneurial owners where five existed before. Do the math. 40% of the entrepreneurs times 75% of the people. (.40 x .75 = .30). Now we are looking at one buyer for every three sellers.

We are rapidly approaching the worst imbalance between small business sellers and buyers in history, and it will continue for the next 15 to 20 years.

If the problem was limited to the numbers alone it would still be dramatic. In addition, there are other factors that make the numerical shortfall even more pronounced. The profile of the buyers, the values and the choices of Generation X, will exponentially increase the gap between Boomer sellers and the people to whom they expect to sell their businesses.





The Millennials, the oldest of whom are now approaching 40, number about 80 million (thanks to the delay in family formation by the success-oriented Boomers.) As a percentage of the population, however, they are about 25%, versus the Boomers 40% in 1965. As children of the Boomers, they share many characteristics with the Gen Xers.

We will talk about both Generation X and the Millennials together as the “Buyer Generations.”

The Next-Gen Business Buyer

Generation X and the Millennials aren't mini-Boomers. Raised in a rapidly growing economy by parents that approached child rearing as a competitive activity, they saw more, did more, and were given more than their parents could have dreamed of.

I took my first commercial airline ride when I was 25 years old (and before my mother experienced her first flight). My two sons had each boarded planes over 50 times before they were in high school. I was not an athlete, and have no hardware testifying to any athletic prowess. My youngest son made varsity in one sport, for one year. Yet he has a bookcase full of trophies from Little League, piano classes, martial arts, basketball and soccer.

I received a couple of piano lessons from a neighbor who played. My children had paid instructors for martial arts, gymnastics, baseball, piano, viola, singing, and math. They were far from the most-coached kids I knew.

The challenge of selling a business to a small and disinclined group of prospective buyers starts with their lack of numbers, but it is just as much about how they were raised by their Boomer parents. The Buyer Generations have different values and many more choices.

Values

The numbers are just the most obvious (and the most inevitable) factor impacting the Buyer Generations as buyers. The second factor is values. Every Boomer owner I know, and I know hundreds, has complained about the expectations and the lack of a decent work ethic among younger people. This isn't caused by a special laziness gene. It is a matter of values.

Boomer "super parents," driven by their competitive approach to *everything*, raised children who expect to be accepted for who they are, and to have things done for them. Boomers created the children's ball team where everyone got a trophy just for participating, regardless of the team's success. Children watched their parents struggle with a breakneck pace and the concept of work-life balance and, like every previous generation of offspring, saw their parents' approach to life as stupid.

The Buyer Generations don't equate material comfort directly with work. Their "balance" is oriented towards *separating* work and life. Unlike most Boomers, who live to work, their children prefer to only work to live. Work isn't their identity, it's merely the thing that permits them to finance what they really want to do.

For Boomer entrepreneurs, who accepted a 50 or 60 hour work week as simply part of the cost of business ownership, that isn't good news. The next generation of buyers doesn't agree with you, and isn't interested in subordinating their lives to a quest for material success. Ironically, they want a lifestyle that is more like that of their grandparents'.

Choices

I know five local CPA firms that have sold to regional or national competitors in the last few years. Each had the same problem. They had built a model where the retirement of the Boomer founders was dependent on the profits to be generated by the next generation of partners. Unfortunately, that generation wasn't interested in assuming the required work load. In several of the cases, a younger partner was invited to a meeting, where the senior partners announced that he or she had been selected as the next leader of the firm. To their shock, the anointed turned them down flat.

Just like the list of factors that drove the boomer economy, there are several major societal trends that make entrepreneurship less attractive to the Buyer Generations.

1. Corporate America is acutely aware of the coming shortage of educated, hard-working, middle-aged **executives. They are recruiting and retaining them with far greater benefits and perquisites than most small** businesses can afford.

2. **Since the 1970's, a flood of regulation and increasing liability connected to business ownership makes the** entrepreneurial proposition riskier and more tedious. The Boomers have only themselves to thank for that.

3. The retirement of the Boomers is placing a crushing burden on Medicare, Social Security and pension funds. **The likelihood of greater taxation, and lower benefits for those who follow, reduces the attraction of working** hard to make a lot more money.

4. Many younger families are already supported in part by their Boomer parents (private school for grandchildren, family vacations) and know very well that they are inheriting some $17 trillion dollars in the not-too-distant future.

5. Finally, technology has vastly expanded the Buyer Generation's choices. Flex time, telecommuting, job sharing, family leave and home-based businesses make the traditional model of sitting in a brick and mortar location all day look far less appealing.

Who will sell?

The bleakest future is for a small business that has few factors, other than the owner's personal reputation and energy, to differentiate it from its competitors. It depends on the ongoing efforts of its owner to produce revenue. It has a number of employees who are only trained on their specific jobs, or who possess few distinctive skills that make them an integral part of the business. It has no incentives that lock the best performers into long term relationships. It lacks middle management, or anyone who can run the business indefinitely without the owner around to make decisions.

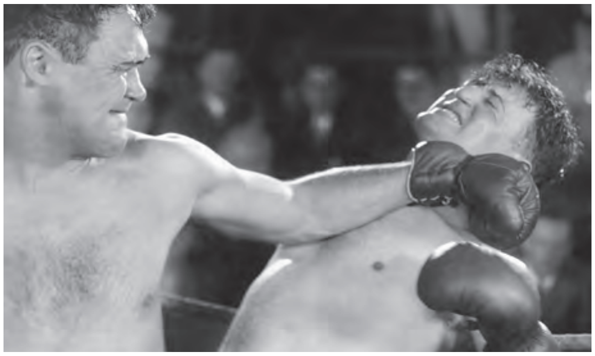
If that describes the business you own, it is time to start making changes. The generation that is reaching business-buying age has more choices for earning a living, and many more choices that better fit their values.

There is some good news. You can do something about it. Most small business owners will remain oblivious to the realities of the market until they try to sell, and even then probably won't understand the reasons why they fail.

Like the hiker running from the bear, you don't have to be faster than the bear. You just need to be faster than the other hikers.

Simply reading this puts you ahead of the pack. We next turn our attention to what it will take to successfully exit your small business in the toughest selling market in history.

How to Beat the Boomer Bust



We've looked at the coming generations of business buyers, and many things about that picture aren't pretty. When I present to business owners audiences about the Boomer Bust, this is around the time that someone in the audience says, *"So, are we just screwed?"*

Not necessarily. There are things you can do to make your business more transferable, and more appealing to those buyers who will be looking for an opportunity.

First, remember that my *generalizations* about a generation are just that. Both words derive from the Latin root *genus*, which means both "birth" and "type." A historical comment: it's interesting that one word meant both things, because it was an era when your birth determined your type, or your role in society for life. The two aren't synonymous today.

Not every Boomer is a workaholic. I know plenty of slacker Boomers, although none that are successful business owners. I also know plenty of hard-charging X'ers. So the first thing to remember as a Boomer business owner is that buyers for your business aren't nonexistent. They are just far fewer than the number of sellers because of their numbers, values and choices.

Second, every business problem is better tackled with planning and preparation. Positioning your business for a successful sale is like putting timers on your lights at home. Any experienced burglar will tell you that he can case a house for a few nights to determine whether there are timed lights, but why should he? There are many more houses that don't have even those precautions. Most privately held businesses aren't planning for transition, and won't be ready when the time comes.

A third reason not to be depressed is remembering who you are. If you recognize yourself in our profile of the hard-working, driven Boomer business owner we've presented here, then your competitive nature should kick in as you think about being one of the winners in transition.

After all, selling your company is probably the most significant financial event of your lifetime.
Why wouldn't you approach it with all the energy and problem-solving ability that you possess?

Any successful transition of your business is a sale, whether it is to a third party, to employees or to family. We will use sale as a generic term synonymous with succession, transition, merger or acquisition, just to keep things simpler. When speaking about a specific approach, we will differentiate between an *internal sale* (to employees or family) and an *external sale* (to a third party).

We are also focusing on the transfer of a business from an individual, or a few partners, to another individual or partner group. Many small business owners fantasize about a third party sale to a "strategic buyer." All they know is that they've heard a strategic buyer pay far higher multiples than other buyers, so that's the kind of buyer they want.

Very few companies selling for less than $10,000,000 are sold to strategic buyers. It is more frequent in high technology and in some distribution channels than in other industries, but it isn't common at all, if you are a typical small business providing services on a local basis, a franchisee, a retailer, or a professional firm. There is little likelihood that you offer the kind of strategic differentiation required to attract a large (and wealthy) corporation to your door.

Understanding your prospective buyer is a key part of the selling process, but it isn't the only part. Before we discuss how to position for the next generation(s) of buyers, we have to step aside to talk about where you begin.

What is your business worth?

Preparing for a successful sale to a typical small business buyer begins with an honest assessment of where you are today. What is your company *really* worth?

Most business owners take a subjective approach to valuing their business. They talk to colleagues at trade shows about rumored prices for sales in their industry. They ask other business owners in their local area about the sale prices of unrelated companies. They read stories in the news about publicly traded acquisitions. Then they pick a number they like the best. "*After* all," they say, *"my business is as good as anyone else's."*

We see far too many cases where owners become emotionally committed to that number, to the point where they are highly offended by any other. They tell their personal financial planner to use the number in their retirement planning. They put the number on their personal financial statements to the bank. After a while, that number becomes *fact,* whether it originally had any validity or not.

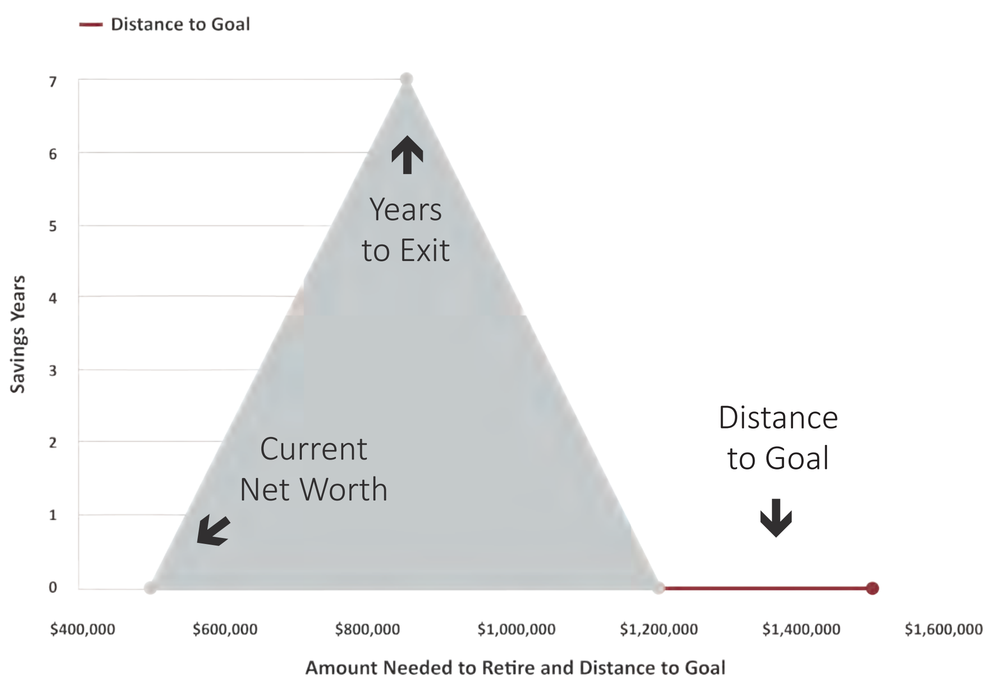
Your planner or your banker isn't qualified to verify the value you place on your business. For many owners whose net worth is 50% or more dependent on their business asset, picking a number based on hearsay or second-hand information is tantamount to insanity. It is your biggest asset; don't you want to *know* what it is really worth?

There are a number of valuation specialists who can appraise your company. Any qualified professional will look at comparative sales, the market, your industry and the current cost of financing. For most small businesses, a reasonable appraisal can be purchased for a few thousand dollars. (A side note: "Free" appraisals or those generated in one-day seminars are often worth what you paid for them.) Once you have it, you can use the logic and multiples to track your approximate value for at least the next few years.

Distance to Goal

Once you know what your business is worth, targeting likely buyers becomes much simpler. We will discuss those in a moment.

To determine your "Distance to Goal," you take your net worth today (without your business), determine what you will need at retirement, and the sale price of your company has to make up the difference. With the company's real present value documented, and a target amount based on realities of the market, you can then set a date for your exit.



Setting a date is much, much more than just a theoretical exercise. Every plan must start with a goal, and your goal has to be both time and price sensitive. *"I'll keep working until my business is worth $5,000,000,"* isn't a plan. *"I'll quit when I am 65 years old, and just hope that I have enough to live on,"* isn't a plan.

Setting your exit date doesn't mean you have to stop working. It doesn't even mean you have to leave your business. It's just the target for when you can afford financially to leave your business. Once you are there, the actual timing is up to you.

If you have a plan, you can start positioning for the sale. That's where understanding your buyers' market begins.

Choosing a Buyer for Your Business

You may be questioning this section's title. After talking at length about the shortage of buyers over the next 10 years, the differences in values and work habits of the Buyer Generations, and the competition for ambitious people from better financed and better positioned Corporate America, you might consider yourself to be lucky to find any buyer at all.

Certainly luck has something to do with it. Surveyed on a choice between a hypothetical business partner who was skilled, and one who was consistently lucky, the vast majority of experienced business people choose lucky.

But Seneca, the first century Roman philosopher, said, *"Luck is what happens when preparation meets opportunity."* If you prepare your business for the right seller, the odds of getting lucky will increase exponentially.

Remember, your competition is going to be every other small business owner trying to sell his or her company. Many of them, unfortunately, believe that preparation for a sale consists of calling a broker and waiting for someone to fall in love with their business. We've already discussed why that is unlikely to be a successful strategy.

For most owners, selling the business will be the biggest single financial transaction of their lives. What if I called you with an opportunity to present your product or service for the biggest sale of your life? You will have an exclusive interview with the CEO of a Fortune 100 company, who is interested in buying as much of what you sell as you can supply. Would you just walk in cold, and hope for the best?

I doubt it. You would research the customer, and determine why he is interested in your product. You would try to find out what he has bought before, and why. You would review his likes and dislikes, and prepare your presentation to appeal to his preferences.

You may not be able to choose your buyer on an individual basis, but you can choose the general characteristics of your buyer, and start tailoring your business now to fit both their and your objectives.

External sales

The majority of "main street" businesses, those that earn less than $1 million before taxes, expect to sell to a third party. The reality of the third party market isn't so simple. The International Business Brokers Association (IBBA) has published statistics on their industry for decades. Year in and year out, brokers of small businesses sell about 20% of the businesses they list.

Take a look at the 45,000 or so small businesses listed on the web at any given time. Then choose the one out of five that will find a buyer. What attributes made you pick that business? Owners often ask me, *"What can I do to make my company more saleable?"* That answer is simple. You should do the same things that you should always be doing to make your company successful.

Ask yourself what you would want to see if you were buying your company. If you are a member of the Buying Generations, would you want a business that required long hours, no vacations and little income? Of course not.

Approach your business from a buyer's perspective. Are there employees in place that are dependable, appropriately compensated and happy in their jobs? Do they have clear duties, and documented procedures? Are your management systems well defined? Is your technology current?

These things may sound obvious, but we all slide a bit when everyone just "knows" how to do their job. As entrepreneurs, we become too accustomed to being the font of wisdom. Most of us have little realization of how many things we decide in a day.

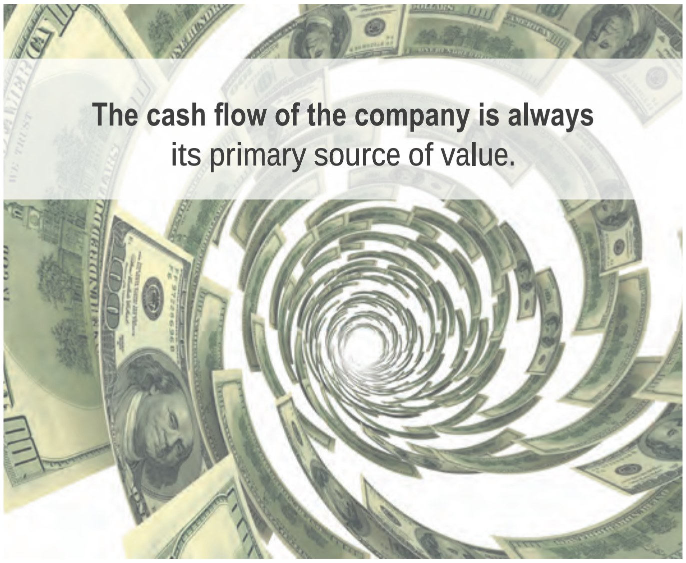
I recommend having this tattooed somewhere not too obvious on your body. Perhaps you should do it backwards, so you can read it in the mirror.

It isn't rocket science, nor is it new advice. In the coming competition for buyers, however, it is more important than ever. As Boomers competed in school, competed in work, and competed as parents, so they will be forced simply by their numbers to compete for buyers in selling almost 5,000,000 small businesses.

Internal sales

Even if you position your business for sale, there will still be a shortage of buyers. Remember the imbalance of retirement-age owners versus buying-age prospects is at the worst ratio between the two in history. If you are prepared, you are more likely to get lucky. A better solution, however, might be to eliminate luck as a factor entirely.

Most small companies can be sold to employees, if they have been trained and prepared to run them. (For our purposes, we will assume "employees" to include qualified family members where appropriate.) It usually takes between five and seven years, but there are substantial benefits to the seller.



First, you can dictate your price, within reason. The cash flow of the company is always its primary source of value. For the seller, that cash flow is yours until you leave. You can use it to pay yourself during and after the transition. Structured correctly, you can set the date when the employees start using that cash flow to repay a bank for financing your purchase price.

Second, you avoid the adversarial process of an arms-length buyer who low-balls your value, nit-picks over minor faults, or presses you to take onerous terms and shoulder the risk of his success through seller financing.

Third, you get to drive the process. With an internal sale, you can be more flexible about when and how you choose to move on. You can even sell and remain in a part time or advisory capacity. After all, you know that the new owner and you will probably get along.

Perhaps most importantly, you avoid the distraction of the marketing and sale process. The pace of transfer is more relaxed. Both you and your buyer are working side by side to make the company more successful, because you have a common interest in its future success.

Most owners raise one of three objections to an employee sale. The most common is *"My employees don't have the money."*

Given time, most businesses with decent (at least $500K) cash flow can be transferred using stock compensation incentives to give the buyer(s) sufficient stake in the company to allow a financed, or leveraged, buyout. While the employees are working to earn their equity, the seller is taking the increased profits as part of his ownership value.

The second objection is *"I don't want partners. I'm accustomed to making all the major decisions."*

While it is clearly advisable to help the new owners learn to make good ownership decisions, you don't have to surrender one bit of control. There are common and easily implemented legal structures that allow you to drive the bus right up until your last day of work.

The third objection is *"I don't have any employees capable of taking over my business."*

Only you can fix that one.

Well, what are you waiting for?

The Penultimate Hire

Every sane business owner will acknowledge that there is a point at which his or her own skills are no longer sufficient to grow the business beyond its current level. The revenue point where that happens differs by industry, but it frequently begins at around 20 employees.

At that point, an owner becomes swamped by the conflicting needs of managing the existing operation, and having enough time to perform the tasks that made the business grow in the first place.

The owner realizes that further growth requires the addition of a key employee; one who can assume some of the owner's duties so that he or she can focus on organizational development.

The typical concern in this situation is *"I need someone who can think. An employee who can run things without my daily input, so that I can focus on what I do best."*

But there is another version that is materially different, although it sounds the same on the surface. *"I need someone who can run this company without me"* is a far cry from one who can handle day-to-day operating responsibilities.

Second-in-Command, or Successor-in-Training?

Many owners fail to look beyond the immediate need for task relief to determine exactly what this key employee's long-term role will be. There is a big difference between hiring an SIC (Second-in-Command) and an SIT (Successor-in-Training).

A Second-in-Command is responsible for assuming some of the owner's ongoing decision-making and management duties. The SIC's role is to free the owner to do what he or she is best at (or enjoys the most). The job description is based on the assumption that the owner is present, or at least available, to check off on major decisions and give ongoing guidance.

Many owners will have to execute their own succession plan by growing a successor internally. This Successor-in-Training is more than someone who can merely backfill your skill set. It needs to be someone who can eventually replace your skills in the business.

Addition by subtraction

The common wisdom is that an SIC should complement, not duplicate, your talents. We advise owners not to hire a "mini-me," since it is unlikely that you can find someone who has the same motivation to cover all the various skills that ownership requires.

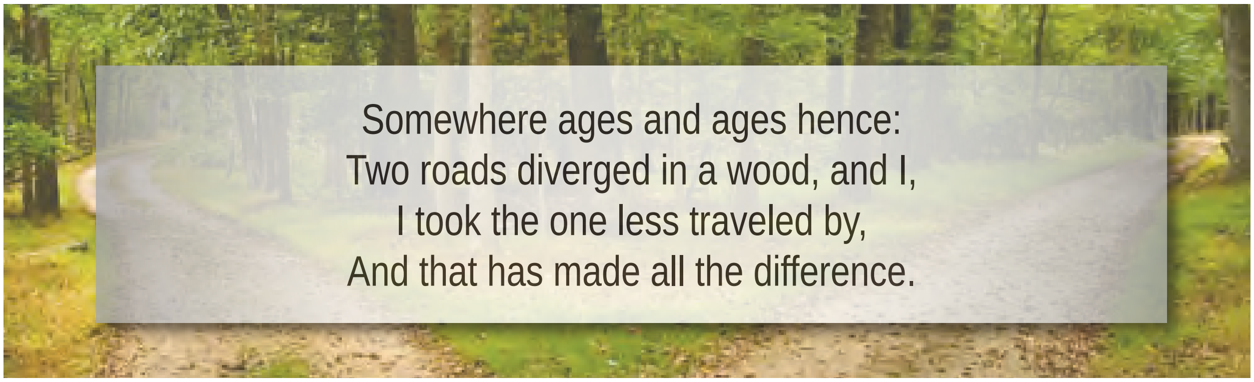
Typically, you take your job description (finance, sales, business development, culture, motivation, operations, marketing, and management) and subtract those things that you want to continue doing personally. The rest of the duties become the SIC's job description.

The intention of many owners is to develop the SIC into an SIT. An SIT is someone who can eventually assume all of your higher-level duties. He or she has to create value while you are still there by filling in the gaps in your skill set, but must also have the potential to grow into a broader role as you prepare to withdraw from the business.

Of course, you are still in for a long search if you seek a "mini-me." The likelihood is that your SIT will eventually need an SIC of his or her own. If you can't run the company by yourself, your successor can't either. If you need an SIC now who pays closer attention to the numbers and ratios than you do, then that person will eventually need someone to focus on sales and development.

Hiring a key executive is the single most important decision you will make. Don't begin the process by making the mistake of looking at only the needs you have today. A solid SIC will probably take five years to fully integrate with you. An SIT may take ten. The investment can be wasted if you look only at your immediate needs. Start with a longer-term vision of how you want your role as an owner (or as an ex-owner) to play out.

The Road Less Traveled



Perhaps Robert Frost's famous poem isn't a perfect expression of what I am trying to convey, but the idea he expressed has been ingrained in us (for Boomers- I think Maya Angelou has replaced Frost as required poetry reading in schools) enough to serve my point.

Some thousands of business owners have heard my presentation on the inevitable issues of selling Boomer businesses. Hopefully, even more will hear it in the future. Many have read my column, caught me on the radio, or bought my book on selling a business. Even so, they represent a small fraction of the estimated 5,000,000 Baby Boomer entrepreneurs with employees in the US.

If you are reading this, you are better informed than 99% of your peers. Whether you are a Boomer preparing to exit, or a Gen X or Millennial thinking about becoming a business owner, you know more than almost all of your competition.

I can't do anything about the birthrates of 65 years ago, or of 45 years ago, or of 25 years ago. Neither can you. From 2018 onward we have a dramatic, decades-long imbalance between 60-somethings and 40-somethings in the workforce. That has implications for the economy, politics and general business, but it will have a special impact on retiring small business owners.

The Boomers *will* retire. Some have done so already, some will wait for as long as possible, but sooner or later they will all leave their businesses. We've discussed how "the curve" of Boomers entering any given age bracket exploded markets in home building, college graduations, franchising, fitness and so much more.

We could expand the discussion to other industries, from motorcycles (Harley-Davidson has been caught without a product for middle-aged X'ers) and cars (Ford recently said that they had sold as many retro Mustangs to 55 year olds as that market will absorb,) to garden homes and second-career counseling.

America has grown, and 78 million Boomers in a country of 320 million obviously won't have as much impact as when they were 40% of a country with 190 million people. But it is a generation exceptionally oriented towards being successful, and working very hard to own the material indicators of that success. Their passing will still create huge ripples.

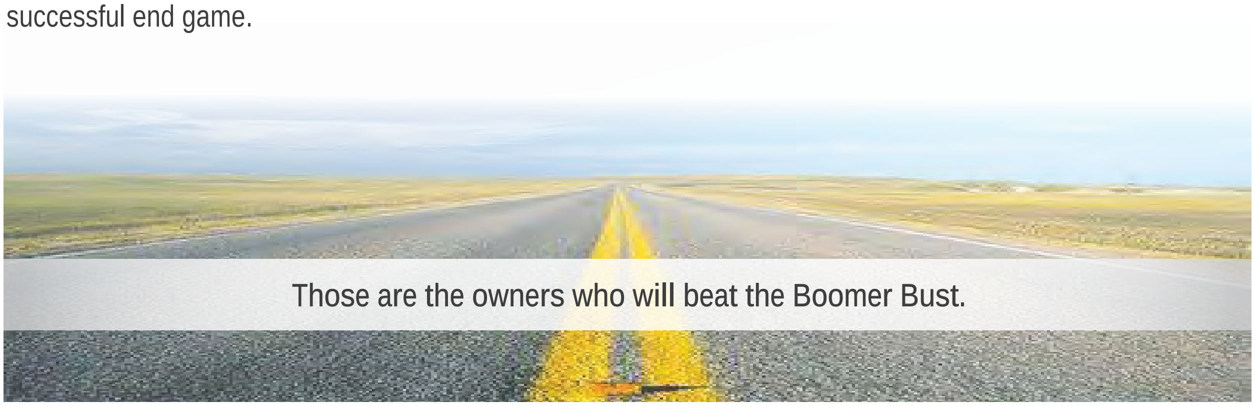
Starting the process

By reading this eBook, you are armed with knowledge; the realization of an inevitable glut of small business sellers and the coming shortage of buyers. You understand why the generational traits of Boomer sellers have made many of their businesses undesirable to their prospective buyers. You should also have a pretty good idea of what needs to change in your business, and how to start down the road of making those changes.

Tomorrow your business will still require the same attention that it does today. You will be just as busy, and making long-term changes will be just as easy to postpone until you have “more time.” Investing time, energy and money in a Second-in-Command or a Successor-in-Training is easily left for another day.

Sooner or later, every owner leaves his or her business, whether via a planned process or otherwise. If you are like most owners, your business is the largest single asset in your portfolio. It deserves as much, if not more planning, than any other transaction you’ve ever considered.

A few business owners will choose the road less traveled. They will begin to shift their perspective from the immediate issues of competing in the day-to-day marketplace, and instead start to focus on competing for a successful end game.



Nuts and Bolts

When I present "Beating the Boomer Bust" to business groups around the country, the most frequent question is, *"How do I get ready to exit?"* Advice on how to prepare your company for a successful sale or internal transition can be as short as one sentence or it can involve as long a process as you wish.

I'll give you the one sentence version first. If you want your company to be appealing to buyers from the X Generation (or any other), and you want to exit with the highest possible value, you should be doing exactly what you should be doing every single day that you own your business.

What does that mean? You should be training employees, developing managers, documenting systems, increasing sales and profits, cultivating long-term customer relationships and recurring revenue, creating competitive differentiation and building a company that doesn't need you to be successful. It's a tall order for many of us, but the logic remains enduringly constant.

What is an Exit Plan?

Exit Planning has become a new buzzword for those consulting in the Baby Boomer business owner arena. I know a business broker who has added "exit planning" to his advertising. Not surprisingly, his planning inevitably results in listing the business with him for immediate sale. That is undeniably an exit plan.

If your shoulder hurts, you could go to an orthopedic surgeon, a neurologist, a general internist, a chiropractor or a physical therapist. Each will have a treatment approach for a painful shoulder. Each will be different, based on his or her specialty. Each will treat the pain, although some of them may or may not address the underlying cause.

Similarly, there are many professionals who claim competence in exit planning. Each has a different area of expertise, and what they term as "exit planning" tends to focus on those areas.

Attorneys will approach exit planning from a legal perspective. They prepare buy-sell agreements, employment, incentives and compensation contracts, covenants not to compete, and stock transfer agreements. Most are knowledgeable in tax matters as well, although I've seen a number who understand far too little about the tax implications of their documents.

Certified Public Accountants usually focus on the tax savings available in a transition. They will advise on the most favorable entity, sheltering income, and inheritance issues. Many are also knowledgeable about incentive programs and employee benefits.

Wealth Managers tend to build their plans around what happens after you exit. Frequently, their approach to planning is to assume you will realize a certain amount, and calculate how you can live in retirement on that amount.

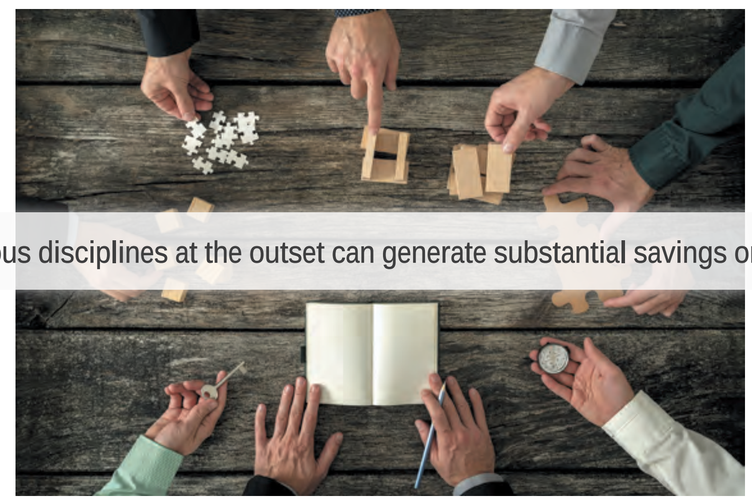
Insurance brokers focus on risk mitigation. They look at key man, business interruption and other risks that may stall or derail your exit strategy. Unfortunately, I've known some agents who believe that every exit issue, from employee incentives to stock payments, can be solved best by the purchase of an insurance product. That is almost never the case. In fairness, I also know surgeons who think almost every medical problem can be addressed with surgery. They know what they know.

An exit plan needs all these things to be successful. Most business owners groan at this point. They have visions of endless professional fees being racked up as the CPA talks to the attorney, the attorney talks to the wealth manager, and so on. It's true that a solid exit plan requires spending some money. In America, the average small business owner has 75% of his net worth in his or her business. The biggest single financial transaction of your life deserves some investment.

The solution is to start by choosing an exit planner. That may be one of the professionals listed above, but more often it is someone with special training in coordinating all the aspects of a plan.

What is an Exit Planner?

In recent years, Exit Planning has become a specialty of its own. The professionals who make a living in exit planning typically have experience in one or more of the disciplines listed above. They have gone further, and learned how to coordinate the other specialists in a single strategy. This approach renders better results at a lower cost.



Coordinating various disciplines at the outset can generate substantial savings on professional fees.

I've seen attorneys build a structure of entities that made transferring assets to family members nearly impossible without huge tax penalties. I've seen plans from CPAs that saved their client considerable taxes, but shifted an additional level of taxation for the buyer that made the whole transfer impossible. Often, an inexperienced client doesn't realize that the approach of one professional conflicts with another. Then one or both must be paid again to get the approaches aligned.

To be fair, these problems are often not due solely to a lack of expertise on the part of the professional. They are the result of a lack of complete knowledge. The business owner/client doesn't tell the attorney or CPA everything, sometimes because he or she doesn't know what might be important. They ask their professionals to prepare something, without informing them fully about what is already in place.

Let's return to the health care analogy. Most primary care physicians demand to see all the medications a senior citizen is taking. That's because patients will describe an issue to their cardiologist, but neglect to tell him about the medication for their diabetes. The diabetes medication might be causing the issue, or blocking the effect of the cardiology medication. The resulting lack of knowledge on the physician's part can kill the patient.

Similarly, a lack of knowledge about what other professionals have structured for a company can get the owner in trouble with the IRS, make a purchase or takeover unappealing to a buyer, or kill any possibility of a transition entirely. A trained exit planner's job is to make sure that everyone is on the same page, and shares a complete picture.

There are currently two major exit planning certifications in the market.

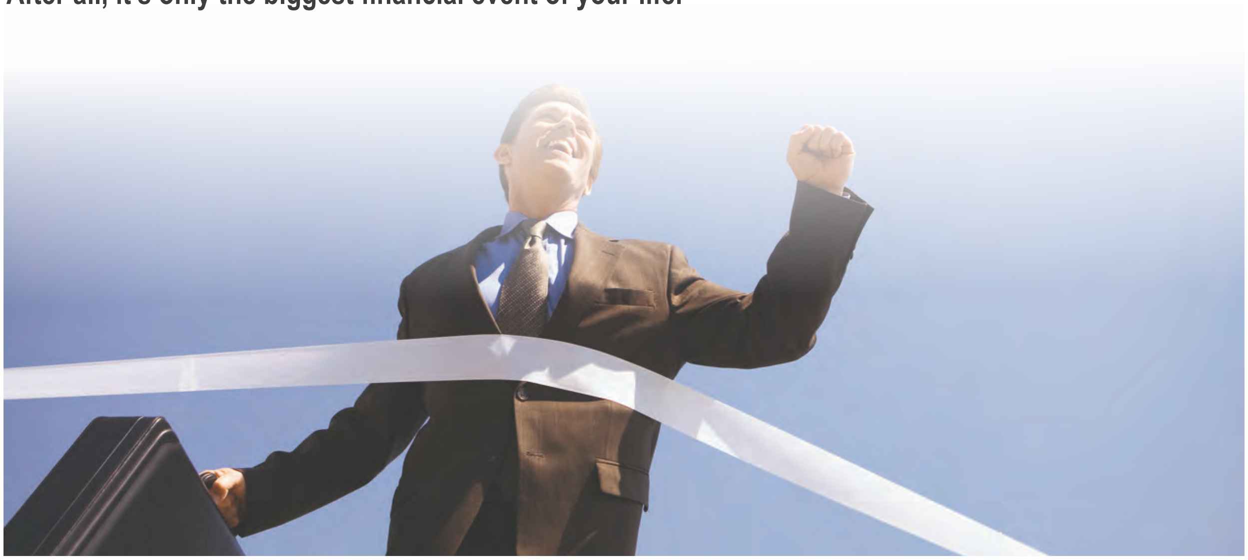
Certified Exit Planner (CExP): Issued by the Business Enterprise Institute in Colorado. Requires 16 hours of classroom training followed by 100-120 hours of web-based training, testing and completion of two complete exit plan case studies.

Certified Exit Planning Advisor (CEPA): Issued by the Exit Planning Institute in Ohio. Requires completion of a one week, MBA style certification program.

Both certifications require continuing education and attendance at regular educational conferences.

Just make sure that whomever you choose to assist you in the process can point to specific training or qualifications in the area. Exit Planning is a dynamic discipline. The regulations change constantly, and new approaches are coming out all the time. "I've done lots of these" isn't, by itself, a qualification. Choose someone who has taken the effort to be informed and current in the field.

After all, it's only the biggest financial event of your life.



About This Book

This eBook is based on the Keynote Presentation “Beating the Boomer Bust” by John F. Dini. It has been seen by thousands of business owners and their advisors. Portions were also taken from John’s posts on “Awake at 2 o’clock?” the blog for exit planners and business owners at www.awakeat2oclock.com.

The concepts discussed here are greatly expanded in the book *Your Exit Map; Navigating the Boomer Bust*, which is available on Amazon and wherever books are sold.

Online tools for calculating some of the concepts in the book, as well as educational resources and a listing of Exit Planners who specialize in working with small business owners can be found at www.YourExitMap.com.

About The Author

John F. Dini has coached hundreds of business owners, CEOs and Presidents of companies, with over 12,000 hours of delivering face-to-face, personal leadership and exit planning advice. He is a serial entrepreneur, but prefers the term “chronically unemployable.”

Dini is the author of three books including the award winners *Hunting in a Farmer’s World; Celebrating the Mind of an Entrepreneur* and *Your Exit Map: Navigating the Boomer Bust*, as well as *11 Things You Absolutely Need to Know about Selling Your Business*, now in its second edition. He is also the creator of The ExitMap®, a proprietary business exit planning system with affiliates throughout the United States.

He writes numerous articles on small business topics for newspapers, magazines, speaks frequently to business groups and national associations, and is a 20-year member of Jim Blasingame’s “Braintrust,” appearing regularly on “The Small Business Advocate,” a nationally syndicated radio program, as an expert in the issues of small business ownership and business transitions.

For over two decades, John was the most successful operator of The Alternative Board® in that organization’s history, operating fifteen peer groups whose members were all business owners.

John holds a BS in accounting from Rutgers University, and an MBA from Pepperdine University, and has seven additional certifications in exit planning, behavioral analysis, management, facilitation and coaching. He lives in San Antonio Texas with his wife, Leila. They have two grown sons.