
Life After Selling Your Business



Entrepreneurs should consider what does their life look like after selling their business *long before they actually [sell](#)*. It is easier to accept selling if they have prepared for it and are committed to selling a year or two before they actually sell.

Takeaway: A *helpful guide to figuring out if you are ready to sell and what you can look forward to after.*

Have those Planning Discussions

A business owner should have several discussions with their spouse, family, close friends who own businesses and their trusted advisers. Having those "heart-to-heart" discussions can ensure that they aren't surprised about life after selling. Absence of dialogue could lead to confusion and a sense of withdrawal; They were waking up every day and going to a business they were comfortable with, where they had a purpose, and then, all of a sudden, it's not there anymore. It is key to talk about it, to have that dialogue and start to have another purpose.

A New Venture or a Well-earned Retirement?

Of course, every owner is different and at a different stage in their life. An entrepreneur who is exiting their third company will handle selling with more ease than one who

started and stayed to build their company for more than 30 years. The latter will face different challenges and will often accept post-sale life reluctantly. The age or health of a business owner can actively dictate what they choose to do after selling a business.

Many clients are young enough and have a lot of energy and productive years left to be able to work. If a client is 45 to 55-years-old, it is likely they may start or acquire a new business or invest actively in somebody else's business. Sometimes, when a private equity firm buys a client's business, it may be a requirement in the deal that they "stick around" for a while and work for the acquirer. We view that scenario as a positive thing; however, the *honeymoon does not generally last very long*. The new owners will ultimately run your company in a different manner you have been running it.

Younger entrepreneurs have a lot of options. They're young enough to stay around and work for a buyer, and there's value to that, but they often want to sell to start a new venture. Older clients, on the other hand, may not want to invest in a new business. They may be at a stage where they are not interested in running a company any longer and are looking to retire.

Have a plan; you can only play so much golf!

Use of Capital When the Deed Is Done

Business owners will find a way to be successful after they sell. They'll tackle life's challenges with the same vigor that was necessary to grow and exit their business. In order to be successful post-sale, entrepreneurs should take control of their destiny and consider the active use of their time and capital as well as the passive use of their capital. Active use of their time and capital centers on how they want to live. They will choose to be in business, invest in business or volunteer for a cause they believe in. Either of these options requires time and often money (capital). The owner will control how they spend their time and money.

The passive use of their capital involves ensuring that their estate is protected. Most owners seek to ensure that their family is provided for in the future. One should engage a financial planner or an investment advisor in order to ensure the money they earned in the sale is protected.

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In our experience, entrepreneurs are quite sharp and look after the capital from the sale of their business, as long as they prepare well.

Confidence in Your Future

Seek help to get the right advice from the right people when they are looking to make investment choices or planning for their future. These advisers (your CPA, trusted legal counsel, wealth management firm, even the investment banker who managed the sale) will help assess personal goals and current situation to ultimately avoid risky ventures.

It is inevitable that once an owner sells their business and “cashes out,” there will be a constant flow of investment requests and opportunities that can be considered alongside a sound wealth management plan. Choosing the right financial/wealth advisor is imperative.

Ultimately, entrepreneurs need to make sure they engage someone they can trust.

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