

WILL MY BUSINESS BE SALEABLE?

RETIREMENT PLANNING FOR BUSINESS OWNERS

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WHAT ARE MANY BUSINESS OWNERS CONCERNED ABOUT?

There are two major questions on many business owners minds. They are:

1. How much is my business worth?
2. Is it saleable?

RUNNING A BUSINESS OR WORKING FOR YOURSELF?

There are two potential paths a business owner can follow:

Path One

Grow the small business to a larger business so that it is salable.

Path Two

Stick to the 'one man band' and wind up the business at retirement.

It is not the case that one path is superior to the other. Different people have different skills and strengths and what is right for one business owner may not be right for another. It is essential however, that you recognise which of the two paths you are on.

PATH ONE:

GROW YOUR BUSINESS

SO THAT IT IS SALEABLE

If your strategy is the first path - grow - then it's all about **systems** and a **quality team** within your business, so that the business can operate without you.

Sir Richard Branson's Secret

When you look at Sir Richard Branson and his empire, you realise one thing: he cannot possibly have built that empire without the help of hundreds of people around him. He directly or indirectly controls hundreds of businesses, but importantly he has hundreds of managing directors who run and often have some ownership in these businesses.

What is his secret? Branson is not hands on in his businesses because all have been built to NOT be dependent on him.

Systems

Building a business that can operate without you (for at least 6 weeks) is not beyond the average business.

For the more conventional business, every activity undertaken in your business should be documented clearly and effectively. This can mean the difference between sinking or swimming in your absence, or the absence of other key officer bearers.

Once thorough systems are established, a business owner can focus on maximising the return on their investment; and consider when is the best time to sell, and the best ways to negotiate and finalise a deal.

PATH TWO:

WIND UP YOUR BUSINESS

AT RETIREMENT

If instead you are a 'one man band' such as a consultant, the challenge is not so much a case of building systems to replace you, but rather to ensure that your business, consulting firm or professional practice is [building an investment pool](#) out of your fees that will enable you to fund a secure retirement, in other words, [establishing a self-funding strategy](#) based on your professional income.

You need a financial plan that takes full advantage of the superannuation system, and perhaps utilises tax strategies such as negative gearing.

WHAT NEXT?

[Download My Business My Life](#), our 26 page white paper about the challenges faced by business owners in planning their retirement. This paper explores in detail the various issues business owners face when looking to exit their business, and includes quotes from various business owners about their experiences.

[Arrange a meeting](#) where we can discuss your goals and explore how we might be able to assist.

We welcome your feedback and look forward to working with you over the coming years.

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