

BEST PRACTICES WEBINAR

THE PERSONAL SIDE OF A BUSINESS SALE - WHAT TO KNOW



THIS WEBCAST

- Introductions
- Personal vs. Business Side of an Exit
- The Different Areas of Life
- What is Happiness?
- How Does Identity Fit In?
- The Biggest Consideration
- Preparation is Key
- Anatomy of a Successful Exit
- Your Questions



INTRODUCTIONS

JIM KAHR

- 39 Years in Business Systems
- Started Prosperity Plus in 2001
- “Achieve Your Goals by Improving Profit, Cash Flow & Growth.”
- M&A, Valuations, Succession Planning (>350 Transactions)
- Marketing Programs
- Consulting Based on Experience + Highly Successful Hubbard Management System & Value Builder System



Hubbard Management System

- Created by L. Ron Hubbard
- Dianetics Author
- Founder, Church of Scientology
- Created Narconon, Criminon, Applied Scholastics, Volunteer Ministers
- Created one of the largest documented management tech in existence. Outlined in many courses, books, recorded lectures



TWO SIDES TO CONSIDER

Business Side

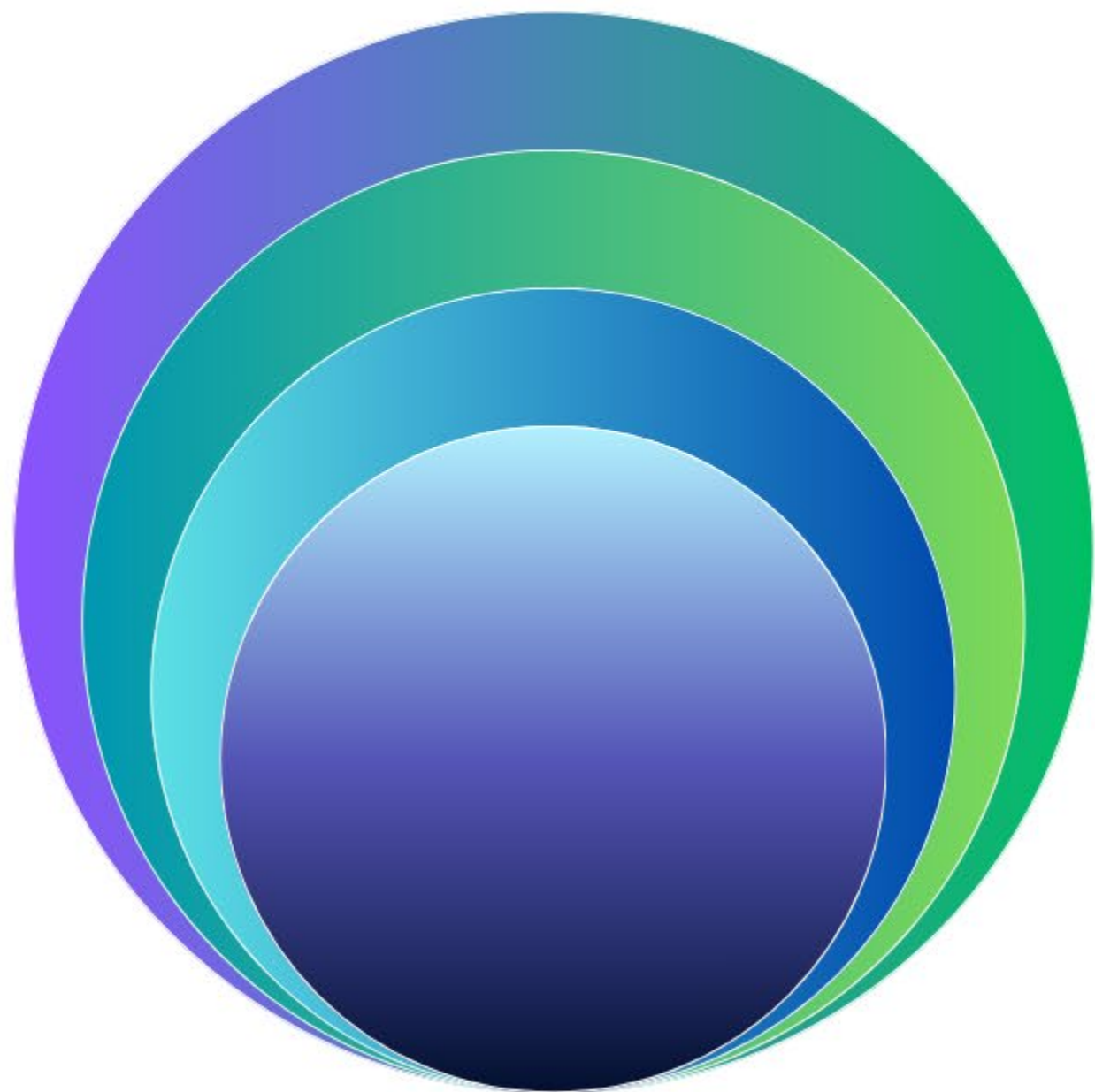
- Value
- Process
- Employee Transition
- Customer Transition



Personal Side

- Time
- Identity
- Purpose
- Future

DYNAMICS OF LIFE



- L. Ron Hubbard defined 8 Dynamics of Life.
- 4 are closely tied to business exit.

First Dynamic – Your survival and the overall condition of you, individually. This can be health, happiness, success, etc.

Second Dynamic – Your survival as and the overall condition of your family.

Third Dynamic – Your survival as it relates to different groups in your life.

Fourth Dynamic – Your survival along with the survival of all of mankind.

HAPPINESS

- Everyone wants to be happy, but few can clearly define what happiness is.
- In his research Mr. Hubbard developed a very workable definition for happiness.
 - *“**Happiness**, you could say, is the overcoming of not unknowable obstacles toward a known goal.”*
 - Happiness is not itself an emotion. It is a word that states a condition.
 - So, it stands to reason that you can be in high condition of happiness or a low one.
- In business you spend your life navigating obstacles toward your goals.
- Moving out of a business can remove the goal you’ve been working towards leaving a feeling of lowered happiness.
- To be happy you must replace the goal and work through the obstacles.

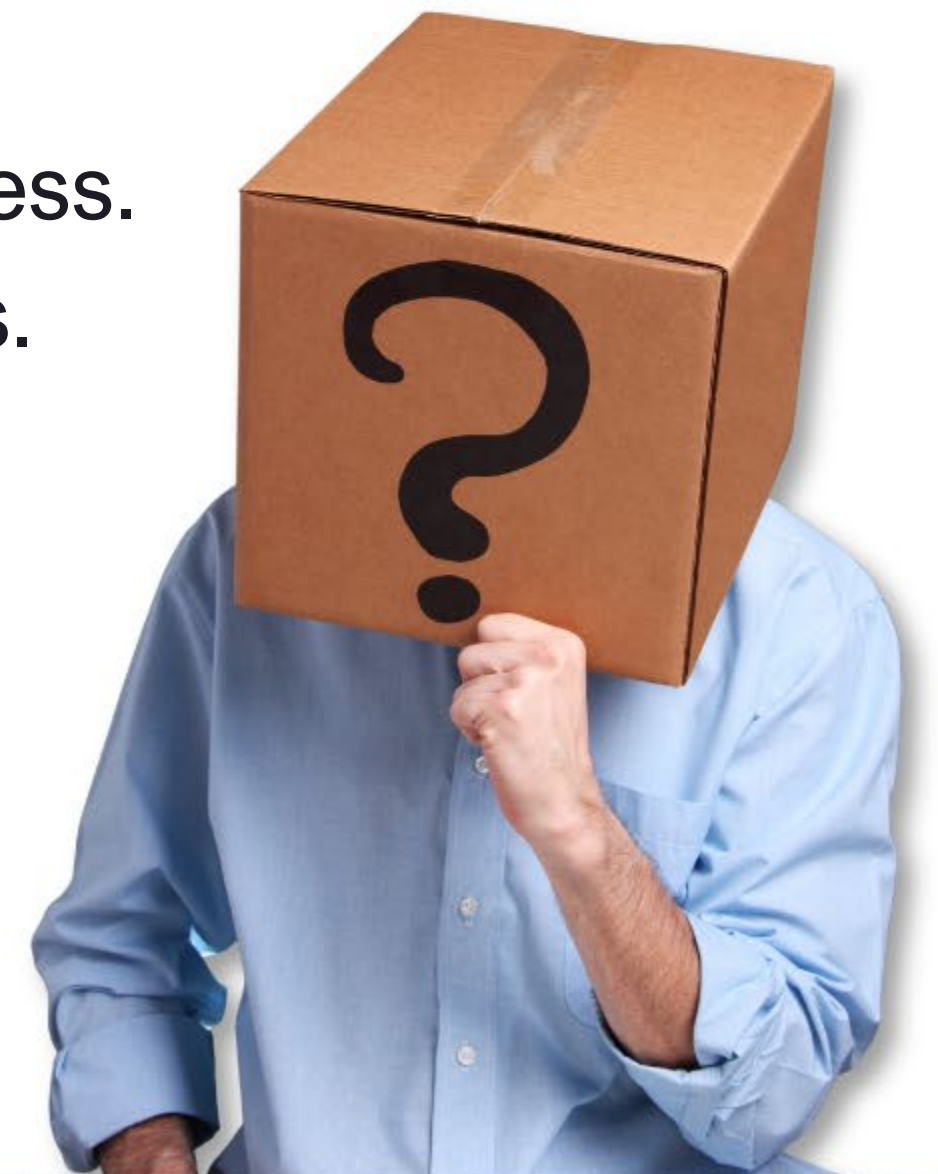
HOW DOES IDENTITY FIT IN?

- In business ownership there is a concept known as Identity Fusion.
 - When a business owner's self-worth and identity become indistinguishable from the business.
 - I am a business owner vs. I own a business.
- Owners that depend on the business for their identity often struggle after an exit.



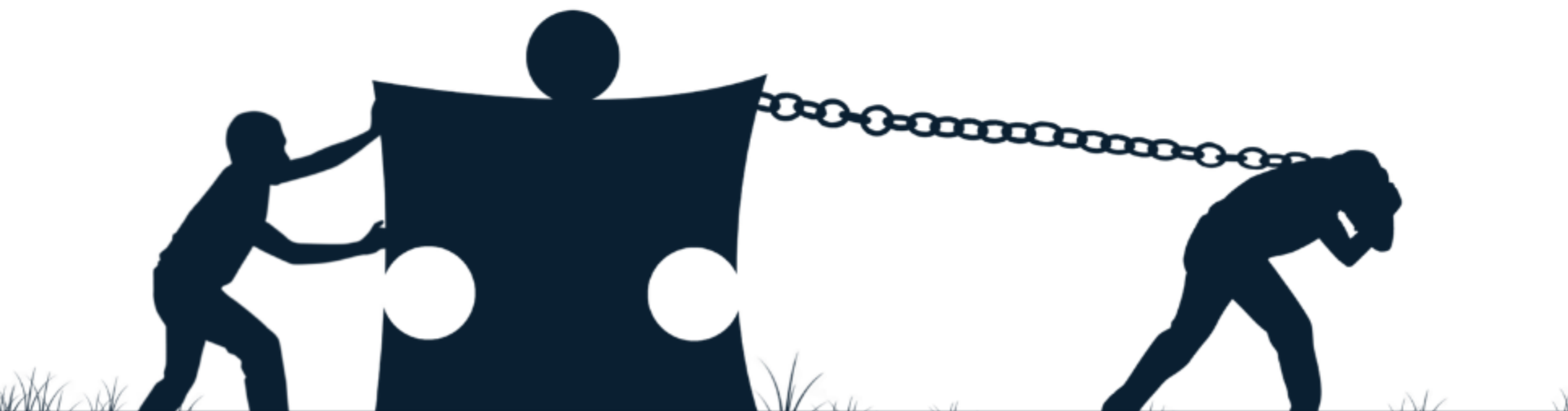
BIGGEST CONSIDERATION

- What is your next game?
- Yes, business is a game.
- Walking away leaves a void. Ask Brett Favre.
- That void must be filled, remember the definition of Happiness.
- A successful exit has a good plan for a new game or games.



PUSH VS. PULL

- Owners can be pushed out of the business, pulled out of the business or driven by a combination of the two.
- **Push Factors**
 - Health, Boredom, Stress, Market Peaked, Can't Keep up with Technology
- **Pull Factors**
 - Family, Travel, Getting Fit, Philanthropy, New Business, New Game
- The most successful exits are driven more by **Pull** factors than **Push** factors.



PREPARATION

- Most think to prepare the business for a sale or exit
 - Financially
 - Operationally
 - Integration process
- Too many don't prepare for the personal side of the sale or exit



PERSONAL PREPARATION

- Financial
 - How much money will you need to maintain the lifestyle you want?
 - Considerations include family, charities, etc.
 - How will others that helped you get here be rewarded?
- Operationally
 - How long will you stay on with the company? What role?
 - What does life look like operationally after you exit?
 - Remember the definition of Happiness, what will your goals be?

A SUCCESSFUL EXIT

- The business continues successfully for new owner(s), employees, customers, vendors, etc.
- You are as involved as much or as little as you want to be.
- You fill the void with things that add to your happiness.
- You have the money to do what you want, when you want.
- Success comes when these questions are answered and are in alignment.
 - What do you want?
 - What do you need?
 - What is the business worth?

Next One: 10.22.26



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THE TAX GAME - STRATEGIES EVERY BUSINESS OWNER NEEDS



PROSPERITY PLUS

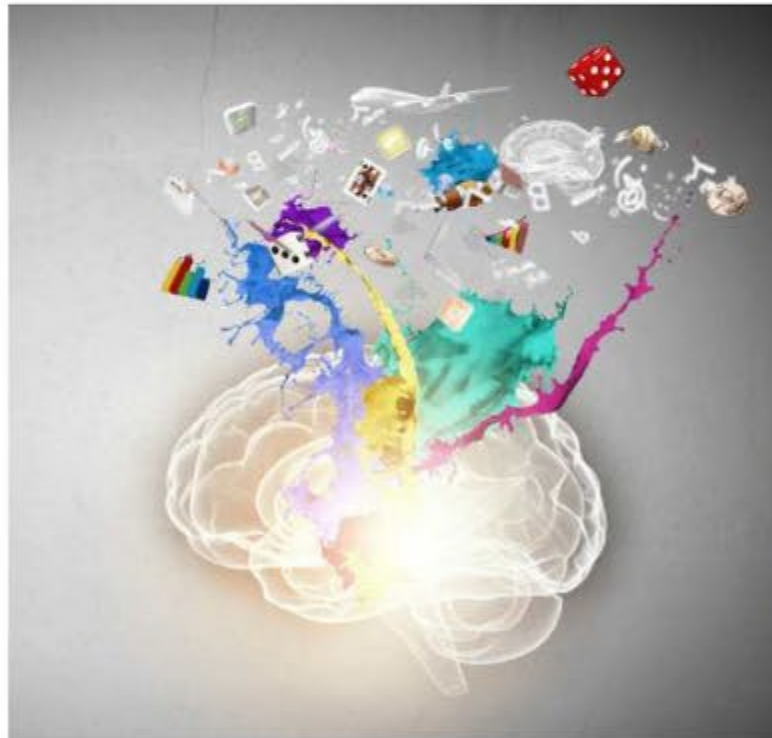


Questions?



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