


“State of Owner Readiness” © 2016 Updated Survey Results

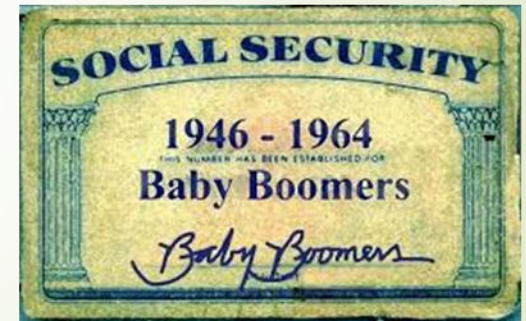


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Stakes are Enormous

■ “Age Wave”

- First boomers turned 65 in 2011; 10,000 turn 65 everyday; the youngest are now 51. Average 60.
- Own 63% of the private businesses in U.S.
- 80-90% of their wealth is tied up in their businesses
- EPI recent survey confirms: 76% plan to transition over the next 10 years; 48% in the next 5 years

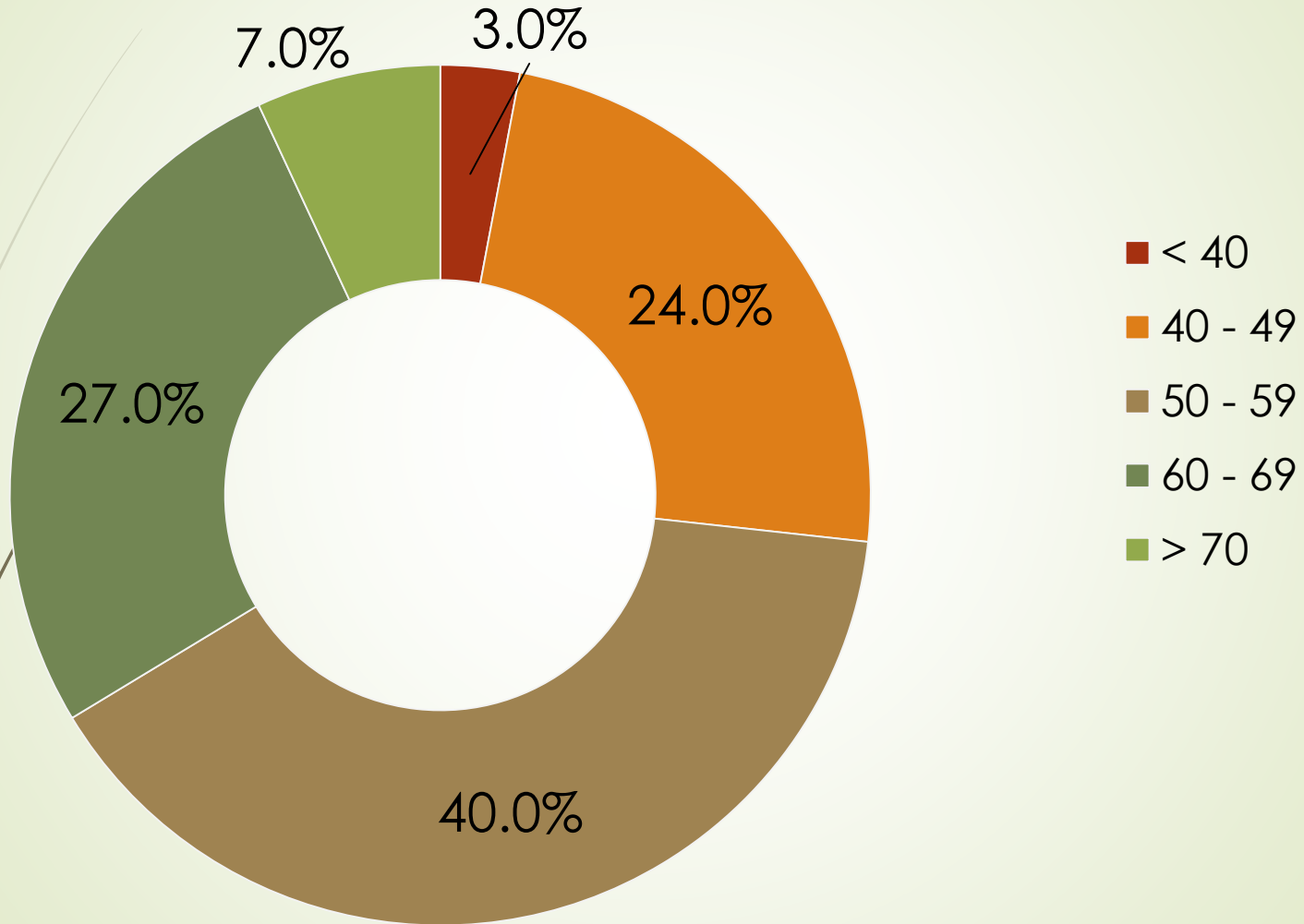


Represents a transfer of **4,500,000** businesses and over **\$10 trillion of wealth**

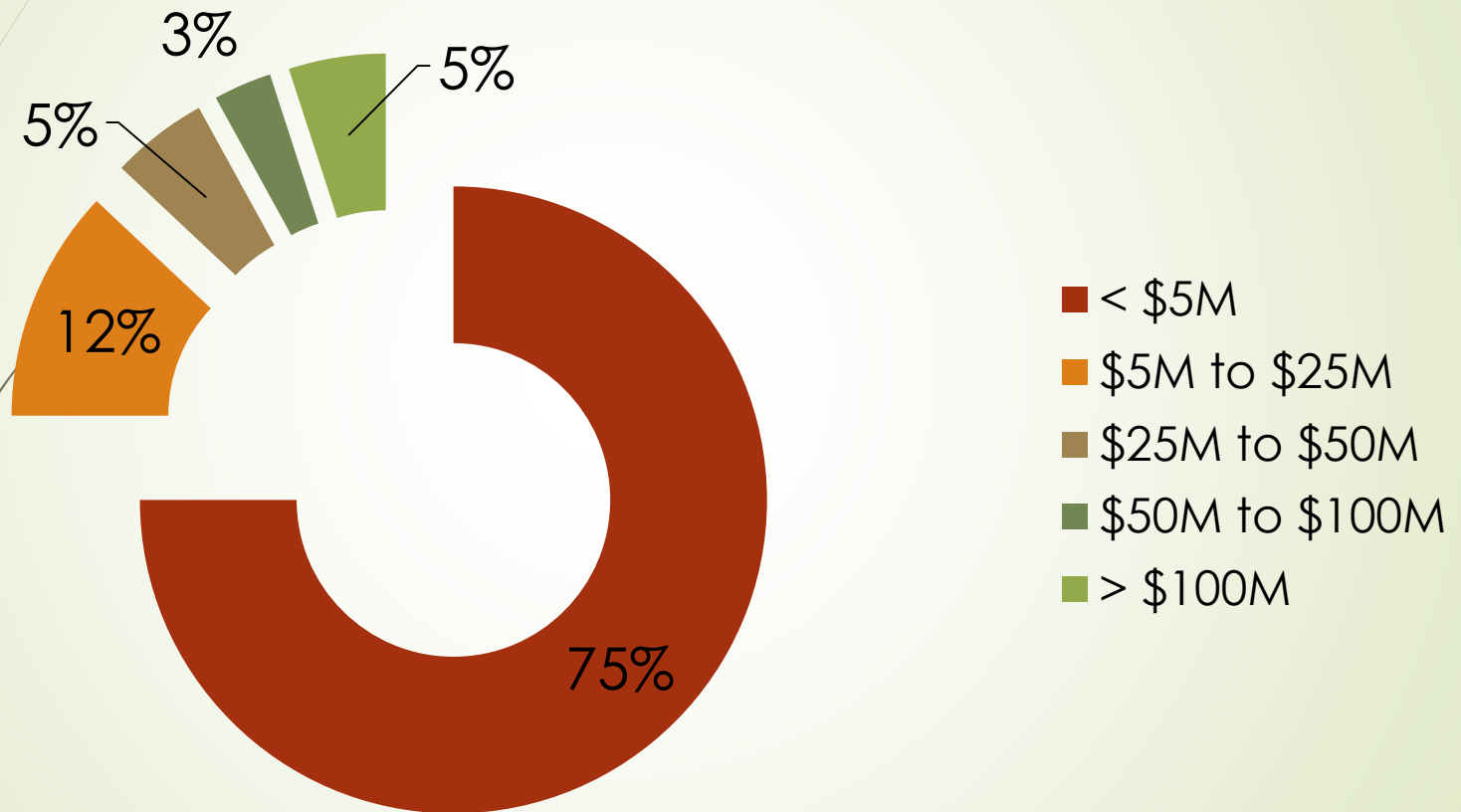
Historical Success Rates

- 12 months after selling, 3 out of 4 business owners surveyed **“profoundly regretted”** the decision.
- 70-80% of private businesses put on the market don't sell.
- Only 30% of all family-owned businesses survive into the second generation; 12% survive into the third generation; and only 3% operate at the fourth generation and beyond

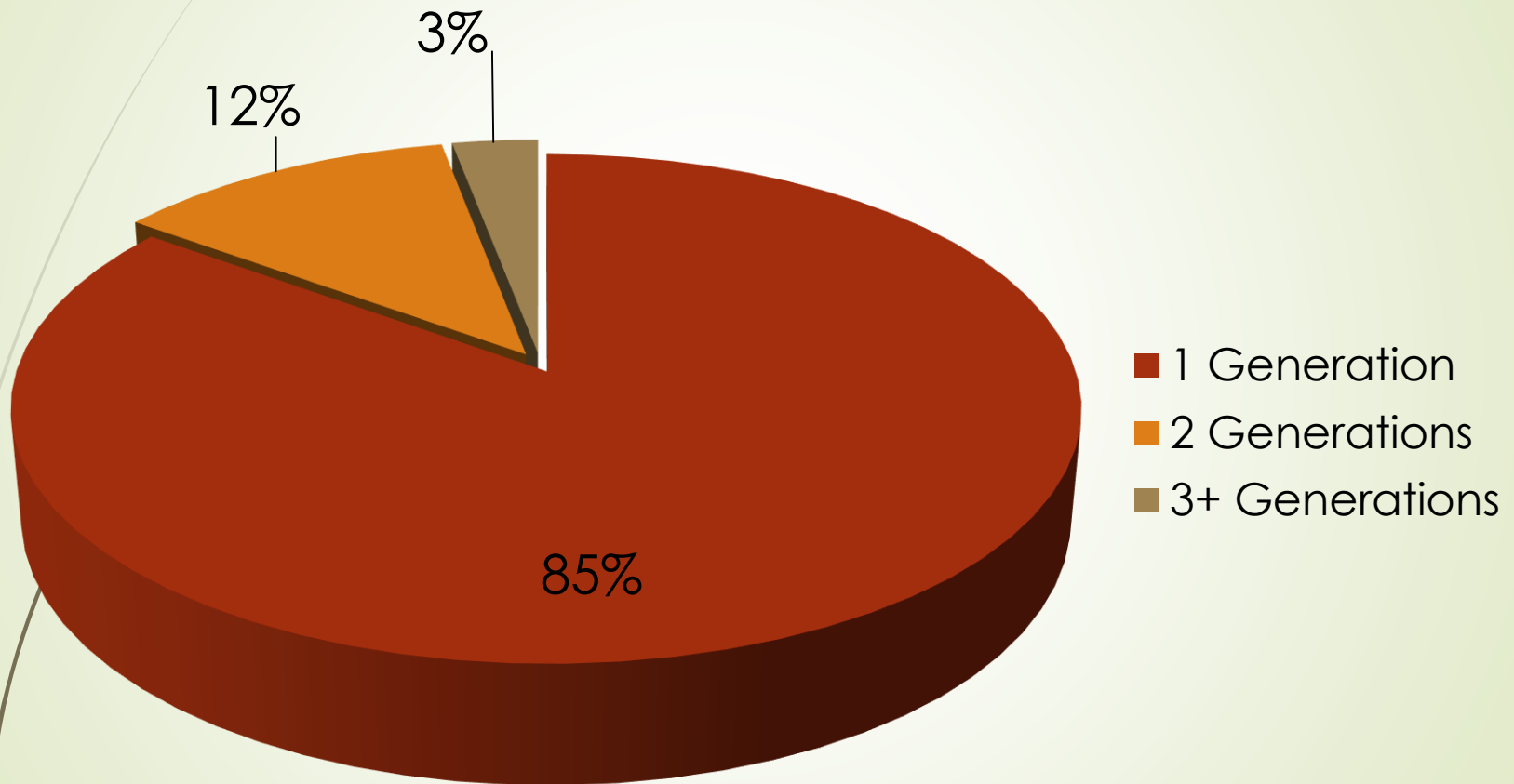
What is your current age?



What is your company's annual revenue?



If family owned, how long has your company been owned by the family?



What industry are you in?

Retail,
Wholesale
trade or
distribution

Energy

Other

Business/Professional
Services

Insurance/Fina...

Manufacturing

Real Estate

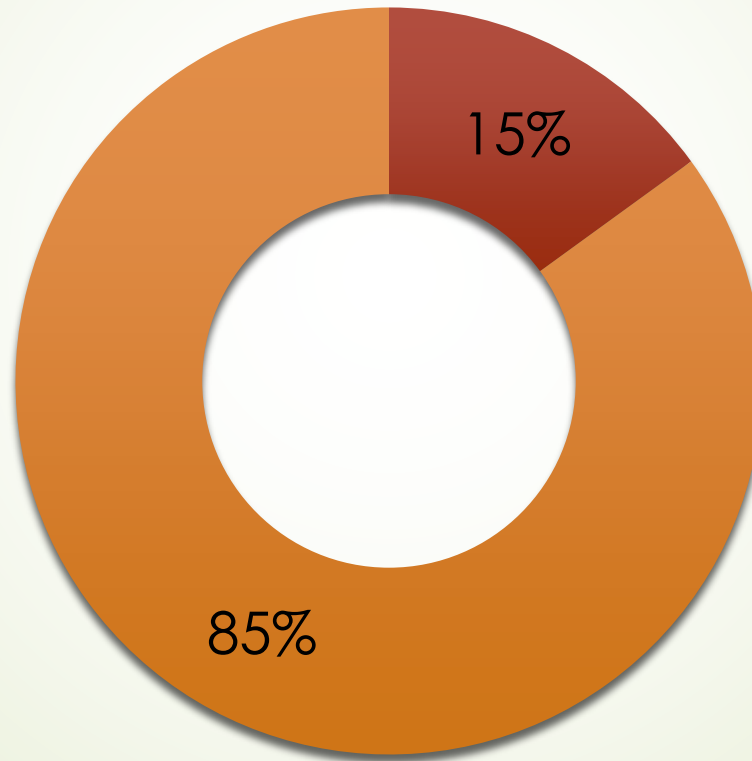
Healthcare

Transportation

Technolog
y/Comm...

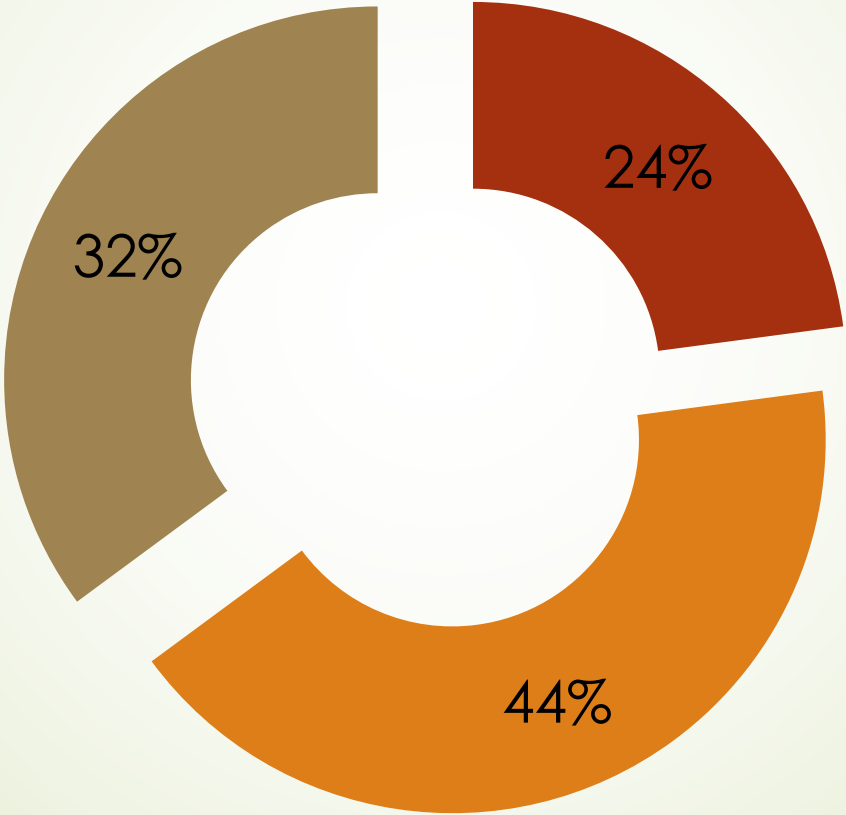
Do you have an engaged Board of Directors/Advisors?

■ Yes ■ No



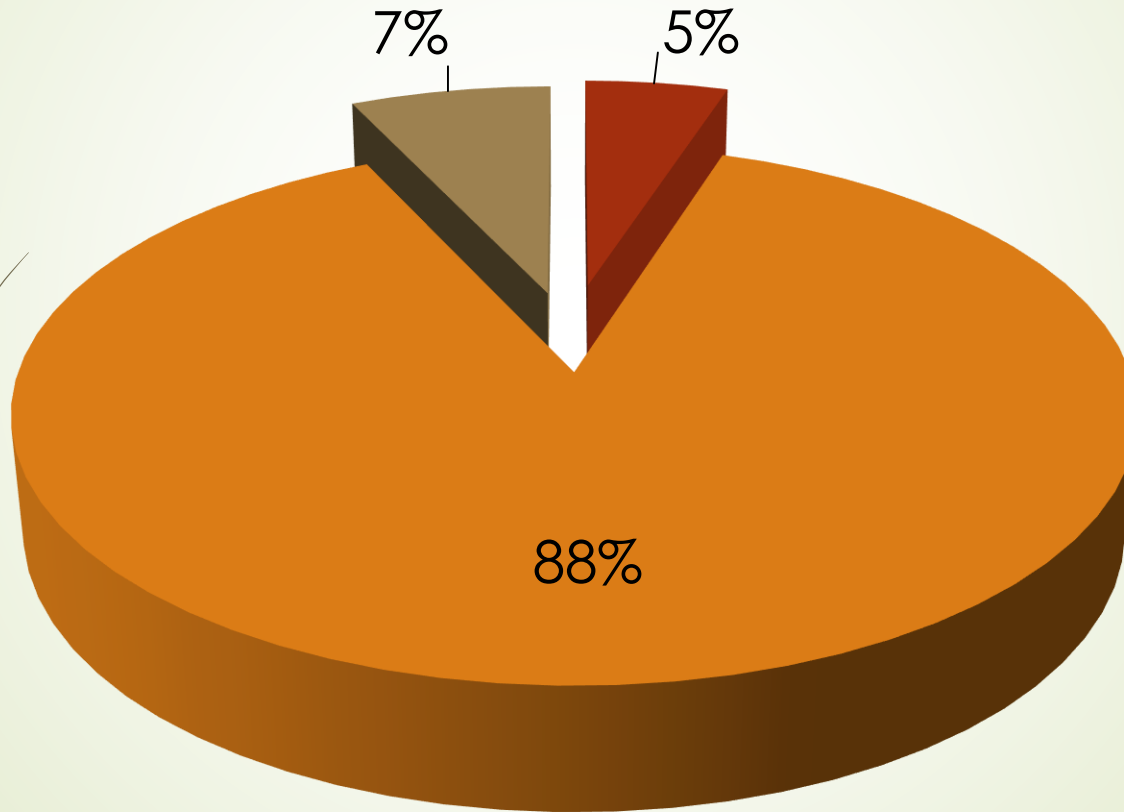
Are you familiar with all of your transition options?

■ Yes ■ No ■ Not sure



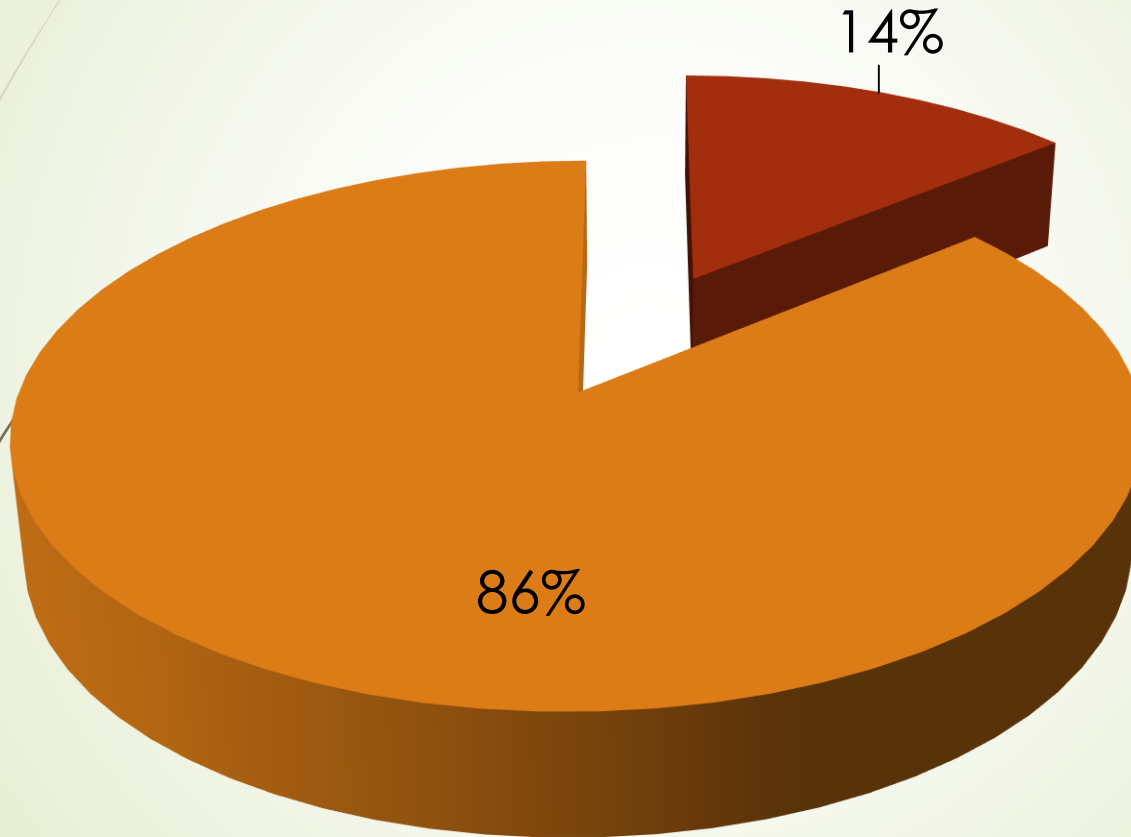
Have you established a formal transition advisory team?

■ Yes ■ No ■ My Board

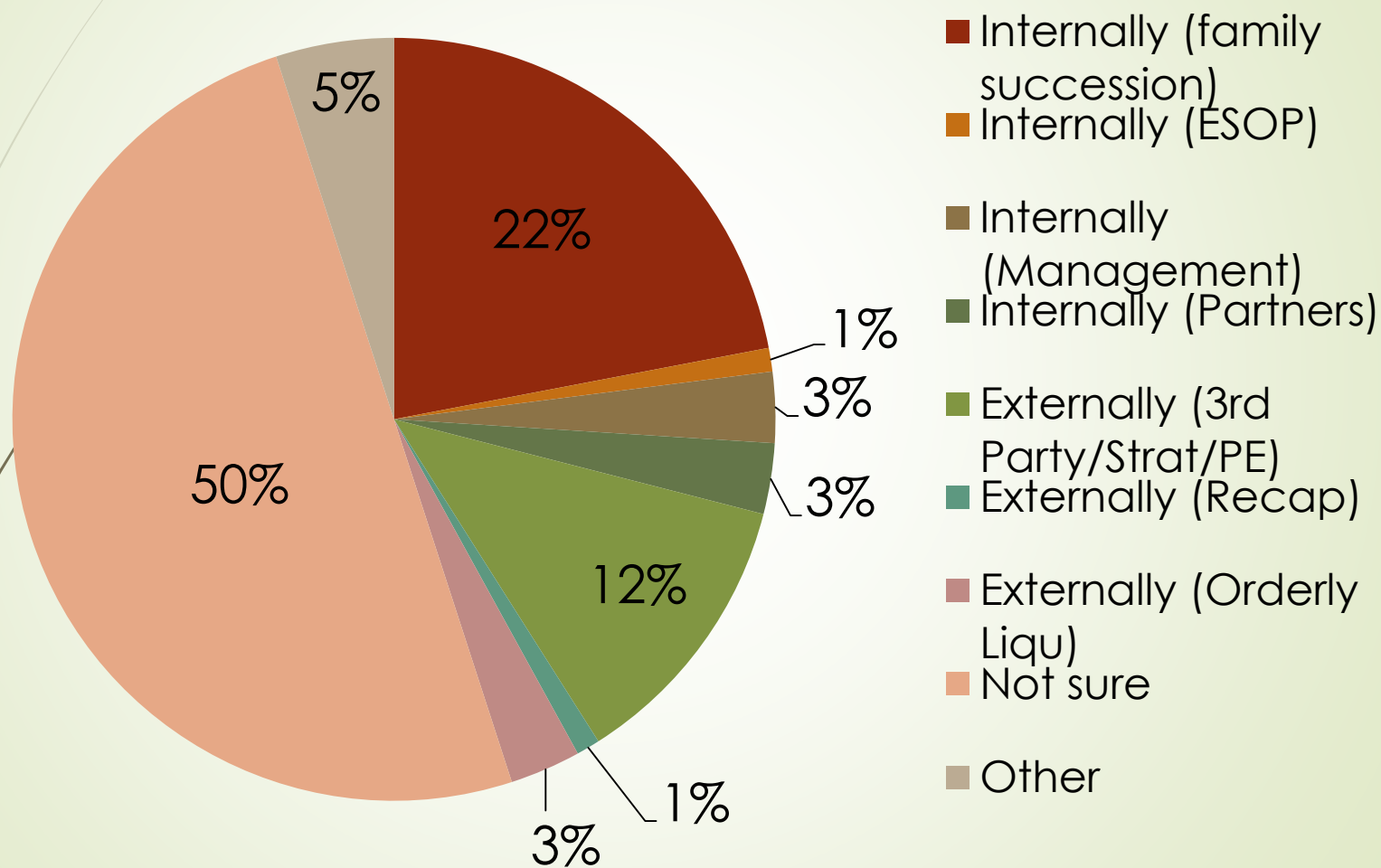


Have you completed any formal education related to transitioning your business?

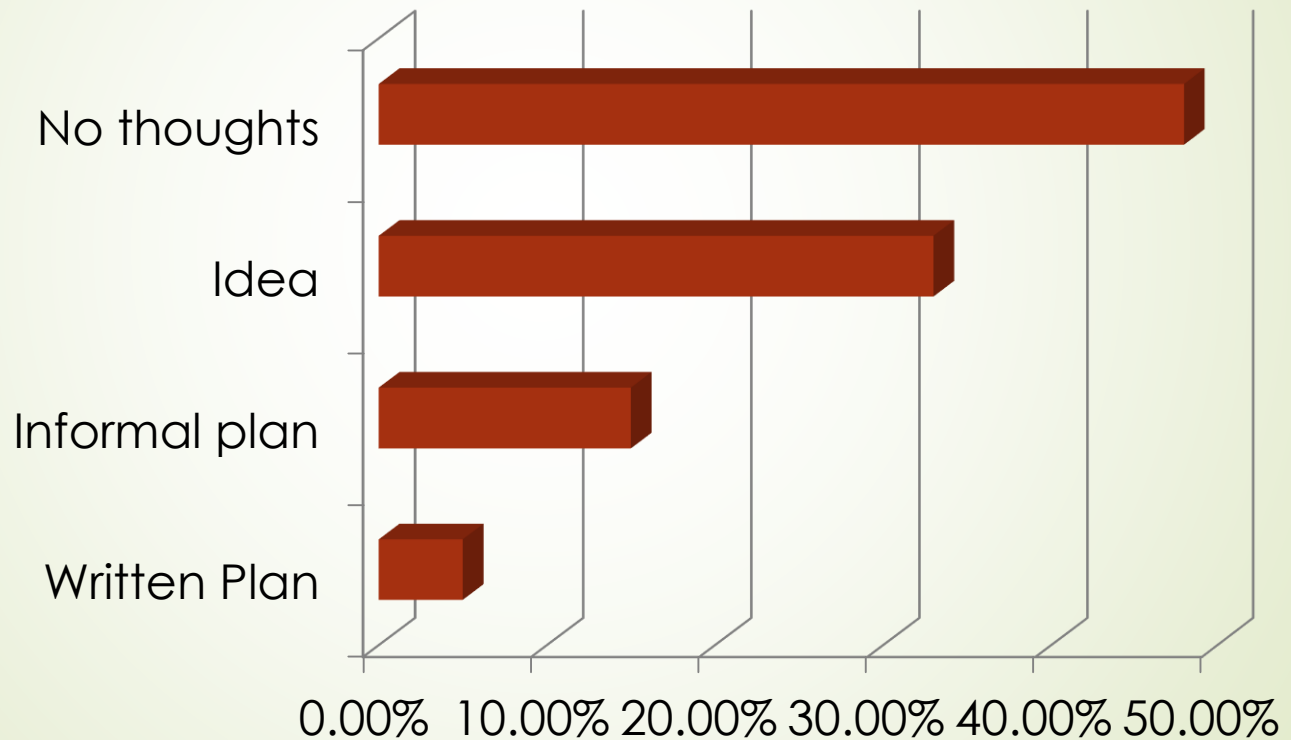
■ Yes ■ No



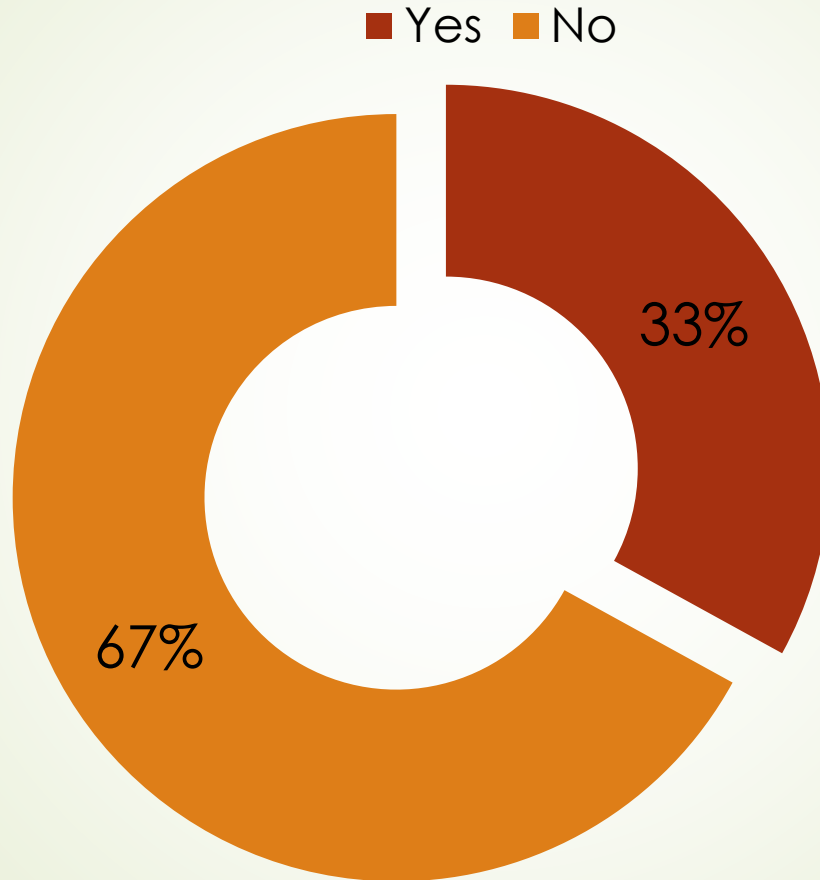
What best describes how you are planning on transitioning?



Which describes your post transition “life after the business” plan?



Do you have provisions in place if key personnel or shareholders should get ill, die or otherwise exit the company?





Challenge #1

50% of exits are not voluntary

- Death
- Disability
- Divorce
- Distress
- Disagreement

5 D's