

# Preparing for what comes next

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## Life after the sale of your business

Where you are today is the result of your passion for the business you've built—and a lifetime of work. But what is your vision for life after you walk away from your business? What you do next is critical for you and your family. It's a time when you need to shift your focus to personal fulfillment, wealth planning and more.



### **You. Your family. Your employees.**

Your business goes to the heart of who you are and what you do. Even for family members, your decision to sell your business may represent a significant change in wealth and status. Some owners have a clear separation between family and their business. However, communicating with those who could benefit the most may be important to a successful plan.

Many owners assure employees that a sale will have no practical impact on them. However, once the sale has gone through and you are no longer involved in the decisions, it can be hard to know. This may mean a period of tension and uncertainty—which can have an emotional impact on you.

Here's what we heard from business owners:

"It's sad and hard when you sell because you've not only invested time and money, but also a bit of your soul."

"A part of me was delighted but another part of me was sad. The office was like a second home."

### **Prepare for your exit**

In the February 2018 issue of *UBS Investor Watch*, we found that 48% of business owners don't have a formal exit strategy in place. Here are three key tips for getting started.

- 1. Plan ahead.** Long-term planning is key to any successful sale, because it helps you focus on what's important. Starting planning conversations early with your financial advisor, tax professional and estate planning attorney will help you be confident about your future. Be certain that advanced income, legacy and tax planning are a part of these conversations.
- 2. Define what you want.** Spend time thinking about what you want after the sale. Reflect on your passions and plan for what you want to accomplish. *UBS Investor Watch* research found that 48% of business owners look forward to traveling more, while 26% plan to give back to their community or causes.
- 3. Break the silence.** *UBS Investor Watch* research shows that only about 25% of former business owners engaged their children and heirs in a conversation about family wealth. Communicate early about what you expect or hope for. This creates a clearer picture and gives everyone involved a chance to contribute.

## The power of emotions

Selling your business is about letting go. This can be a profound change with powerful emotional impacts. For some owners, it's confusing. For others, there's a sense of elation. Many talk about feelings of depression and a lack of purpose.

Here's what we heard from business owners:  
"I felt very muted. I didn't know how to process it. I had to figure out how to deal with a new reality."  
"I had been working hard for a long time. At the beginning, I did nothing, and it was great. People say you get bored, but I didn't—it was wonderful."

## Planning for life after the sale: the six stages

As business owners contemplate a transition, they wonder what life will look like after the sale. We've identified six stages that most owners go through. Think through these questions well before your transition.

- 1. Recharge.** Is a vacation or dream purchase needed? Do you need some space to think? Is an escape and recharge needed?

- 2. Self.** How much money do you have and need? Is your wealth life-changing or life-enhancing?
- 3. Enabling.** What professional advice do you need? Do you have the right advisory team?
- 4. Family.** How should you support your family? Should you set money aside for home purchases and education?
- 5. Legacy.** What do you want to leave for future generations and your employees? How should it be left?
- 6. Opportunity.** How do you find personal fulfillment in the future? How can you best contribute to others?

Whether your transition is a few months or a few years away, it's important to start planning for how you want to live your life after selling your business.

Source: UBS Business Owner Insights Report, *Preparing for what comes next: life after the sale of your business*, November 2018

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