

5 common regrets after selling a business – and how to potentially avoid them

By: Eric Smith, Business Owner Advisory Strategist, Wealth & Investment Management, Wells Fargo Bank, N.A. 2/7/2025



Strategies for creating a plan that helps you exit on your own terms



Eric Smith
Business Owner Advisory Strategist
Wells Fargo Wealth & Investment Management

Selling or transitioning a business can lead to financial reward, security, and a sense of achievement. But many business owners who sell their business experience profound regret.

So why do so many owners have regrets? And more importantly, how can owners create an exit plan they feel good about?

Five common regrets after a sale

While each situation is different, here are some common regrets and strategies for counteracting them:

Regret: Losing identity and purpose. After spending years or decades building a business, owners often find that leadership role becomes engrained in their identity. If people no longer seek your guidance and decision-making skills, that can lead to a sense of professional and personal loss.

Strategy: *Expand your identity beyond your business.* What is your vision of what you want your life to be about after the sale? What makes you happy and satisfied? After all, if what really excites you is the thrill of entrepreneurship, maybe you can pursue that in an advisory role helping others pursue their dreams.

Regret: Selling too soon. Some sellers realize too late that what they loved most in life was owning, running, and being a part of their business and wished they had not sold, at least not yet. This regret is tough because there are rarely any chances for a do-over.

Strategy: Plan early and fully. Consider proactive transition planning early in the development of the business. Give yourself years, not months, to develop transition and contingency plans for your eventual departure to help you or your heirs avoid ever being forced to sell under disadvantageous circumstances.

Regret: Leaving money on the table — or worse, having a forced sale. It is common for former owners to second-guess whether they could have gotten a higher price. In some cases, owners realize during or after the deal that they may not have been competently advised and made decisions that cost them dearly. In those cases, owners may realize they could have prevented a financial loss by preparing for the exit earlier or executing it differently.

Strategy: Create a strong advisory team. A competent professional team can help you prepare the business and execute a deal. Be sure to consult with legal, tax, and business advisors — including former business owners who can share from their own experiences.

Regret: Being unprepared for an unsolicited offer. Most private businesses are unprepared to capitalize on an unsolicited offer, especially when the offer seems too good to pass up. Responding to such an offer when unprepared can often lead to a failed deal.

Strategy: Know the value of your business and be transaction ready. Before you receive an unsolicited offer, take the time to make your business more sellable and valuable by learning to look at it through the eyes of a potential buyer or investor. If you get an unsolicited offer before you are ready, leverage your advisory team quickly to get an objective picture.

Regret: Feeling unhappy with how former employees were treated. Some sellers are led to believe a buyer will keep their employees only to see them fired not long after the sale. Many owners later feel remorse when the employees were not rewarded or were unable to retain their jobs after the sale.

Strategy: Prepare and take responsibility. You want to know that the company you have painstakingly built from the ground up will be in good hands after the sale. Give serious thought to your responsibilities to employees and investors and negotiate to make sure you can feel at peace with whatever decision you make. Know the real intentions of your buyer.

How are you preparing for a transition or sale?

Selling your business can be the biggest financial event of your life, impacting your financial security and personal happiness. Be sure to explore your options and develop a transition plan that helps you avoid regrets.

If you would like help in planning your business exit or transition, please reach out to your advisors. They have access to a team of business owner advisory specialists who can help outline your options, model scenarios,

and manage through complex situations, helping you prepare for what may be one of the most important decisions of your life.

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