

Are you Emotionally Prepared to Exit Your Business?

Entrepreneurs devote countless hours to building their companies from the ground up and perfecting their product offering. After years of commitment and riding the emotional highs and lows of business ownership, they may be ready for a lifestyle change. Often they seek to spend more time with their families and friends and to explore other interests. Some want to retire and live off of the proceeds from selling their business. If they are financially ready and their business is running well, this can be an excellent decision.

While business owners generally understand that selling their business is one of the most significant events in their lives, many overlook the emotional toll it can take. In numerous transactions, the emotional side of selling is as challenging as the financial and legal aspects, if not more so. After all, the company that an entrepreneur builds from scratch often becomes an integral part of them. Saying goodbye to it can be almost unthinkable. Entrepreneurs have a tough time stomaching it when new owners make operational changes. Also, for those who are accustomed to being in charge and who continue to work for the company, it can be difficult to answer to the new owners. So business owners who are preparing to sell their companies must ready themselves to deal with the possible emotional consequences.

5 Actions to Create Emotional Readiness

Business owners can take five actions to prepare for and mitigate the emotional effects of selling their companies. According to Inc. Magazine, the first and most important action is to develop a comprehensive exit plan and transition strategy years in advance of a potential sale.¹ That's because the tough financial and legal hurdles of negotiating a deal can compound other emotional stressors. A thorough plan can help entrepreneurs keep the technical side of the sale under control, thus freeing up time and energy to manage their emotions.

The next two actions work best in conjunction. These include analyzing the role the company plays in the entrepreneur's identity and developing interests and hobbies outside of the business. Many entrepreneurs' identities are deeply intertwined with their status as a business owner. When owners recognize what their companies mean to their sense of self, it becomes easier to extricate themselves from the business and move on.

Exploring other personal interests before the sale can plant the seeds for the entrepreneur's next fulfilling pursuit. It can help to build a new identity and relationships.

Activities such as learning new languages, coaching sports teams and civic engagement can help entrepreneurs adjust to their new lives. Business owners who disregard this step may feel irrelevant after leaving their business. They end up searching for fulfillment in pastimes such as traveling to exotic locations or flipping houses. These activities usually turn out to be brief and disappointing substitutes for the meaning they derived from building and running their businesses.

After they finalize the sale, former business owners should take advantage of the many resources that exist to assist entrepreneurs through the emotional transition process. A lot of them find it helpful to join a community or peer group such as a church or non-profit to establish new relationships. Other alternatives are financial peer learning groups like [Tiger 21](#) or [Evolve](#) that provide collaborative environments for post-exit entrepreneurs to learn and network with peers.²

Finally, anyone selling a business should have a team of trusted advisors — professionals, family, and friends — to confide in and talk to about navigating the emotional complexities of a sale. Peers who have gone through business sales and experienced the transition make for excellent confidantes and are a valuable resource. In the midst of a transaction, support from family, friends, and other

advisors can significantly lessen the emotional burden.

Selling a company comes with many advantages. Owners are relieved from the stress and responsibility of running a business. They're finally able to monetize years of work and are free from the risks inherent in owning a business. Yet along with the freedom and wealth, exiting a business comes with deep emotional pressures. Ultimately, however, if handled correctly, the sale of a business can be a gratifying event. Entrepreneurs will fare best if they plan their exit strategy, take steps to develop their new life and identity, avail themselves of resources that help former business owners, and surround themselves with trusted advisors. If they do so, they will be able to focus on continuing to run the company through the transition and enjoying the journey as they progress towards their sale.

¹ Inc. Magazine, "Managing the Emotional Toll of Selling Your Small Business."

² Harvard Business Review, "Dealing with the Emotional Fallout of Selling Your Business."

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