

This is the final article in a three-part series that guides business owners around the process of selling their business. Parts one and two covered essential steps to take **prior** to and **during the sale** of your company, respectively.

POST-SALE: WHAT COMES NEXT?

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Having navigated your way through the complicated and often challenging process of selling your company, what do you do after the deal closes? Selling a business is a significant achievement, the culmination of years of hard work, dedication and perseverance. However, the deal closing is less the end of the road and more the beginning of a new chapter in the professional and personal lives of most entrepreneurs. After selling your business, it's crucial to carefully consider the next steps to ensure financial security, personal fulfillment and continued success. So where do you begin? In this article, we outline options an entrepreneur should consider following the sale of their business.

WHAT COMES NEXT?

REFLECT AND
CELEBRATE

DEFINE YOUR
GOALS

TRANSITION
PERIOD

FINANCIAL
PLANNING

REFLECT AND CELEBRATE

Before diving into your next venture or project, take some time to reflect on your journey. Celebrate your success and acknowledge the effort, risks and sacrifices that led to the sale of your business. This reflection can help you gain closure and set a positive tone for what's to come. Much of the benefits of selling your business surrounds the gift of time, reflecting on what to do with this time can be instrumental in guiding your next chapter.

REFLECTION CAN HELP YOU
GAIN CLOSURE AND SET A
POSITIVE TONE

DEFINE YOUR GOALS

You may have already pondered this prior to engaging in the selling process, but now that it's complete, revisiting how you feel about next steps is a good idea. What do you want to achieve in this new phase of your life? Are you staying on with the company to support the transition? Are you tackling another entrepreneurial venture, supporting a passion project in your community, spending more time with friends and

loved ones, or choosing early retirement that allows you to pursue personal aspirations like travel, health and wellness? Setting clear goals will guide your decisions and keep you motivated. Your plans may take a while to evolve, likely a stark contrast to the hustle and bustle of running your company, so it's important to embrace this transition process as you enter this new chapter.

WHAT DO YOU WANT TO ACHIEVE IN
THIS NEW PHASE OF YOUR LIFE?

TRANSITION PERIOD

If you continue to work in the enterprise for a transition period, be mindful of how important your role is in ensuring the smooth transition of ownership. Post-deal communications are critical in terms of how the new owners tell the story of why this deal is important and how it benefits the market. Your messages must align so that you are both telling a compelling story that resonates with key stakeholder groups.

How much will employees need to change due to the ownership transition? Will it be more challenging for some people or groups? Is there a plan in place to help assess risk and manage the change within the organization? It is important to remember that people change, not organizations. By clearly identifying project success at the outset, you understand what percentage of overall results and outcomes depends on your employees accepting the change.

Did your deal structure include minority ownership or earnout features based on company performance? If so, you have a personal stake in ensuring the organization continues to thrive under new owners. Your role in the integration is unique and essential to ensuring the buyer gets maximum return on their investment. By working with new owners through the change, you can help minimize disruption and foster employee integration with new ownership. Consider the cost of employee turnover: estimates place figures at half to two times the employee's annual salary and costs rise exponentially with executive positions. Retention of key people is a critical element of maintaining value following a transition.

Don't underestimate the emotional roller coaster you may have as the new management guides the company in their chosen direction. Take a mental inventory of the benefits of the likely reduced stress and responsibility but maintain your commitment and support to ensure the organization continues to thrive, both with and without you. Staying close to your trusted M&A advisors and legal teams is recommended until you achieve the final exit, as these teams help advocate for you with any calculations around additional payouts and earnings.

If you're eager to stay active in the business world but won't be part of the transition to the new owners, consider exploring new opportunities. You might invest in a startup, mentor young entrepreneurs, or consult in your industry. The prospect of joining various boards of directors within your industry is often enticing for entrepreneurs as well. Alternatively, you can start a new business or join an existing one if a compelling opportunity arises. Be mindful of any agreed upon non-compete terms resulting from the sale of your business to avoid complications should you start a new venture.

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Regardless of the deal structure and terms, you will likely receive a substantial amount of capital following the sale of a business. Carefully manage this windfall by working with a financial advisor to create a comprehensive financial plan. Consider diversifying your investments, paying off debt and setting aside a portion for emergencies and retirement. A well-thought-out financial strategy is essential for long-term financial security and enables freedom to explore choices toward reaching your goals.

A FINANCIAL STRATEGY IS
ESSENTIAL FOR LONG-TERM
FINANCIAL SECURITY

CONCLUSION

Selling your business is a significant life event that presents both opportunities and challenges. How you navigate this transition depends on your personal goals and aspirations. By taking the time to reflect, plan, and carefully consider your options, you can ensure a smooth transition to the next phase of your entrepreneurial journey. Whether you are staying on with the organization through the transition or choosing to start a new business, explore new passions, or simply relax and enjoy your success, the key is to find a balance that brings you happiness and fulfillment in the years to come.

HOW WE HELP



At Baker Tilly Capital (Canada), we know one of the most important financial transactions for a business owner is the sale or merger of their company. It's a process often laden with high emotion, stress and unforeseen pitfalls. And while an exit should mark a triumph, if not properly managed, it can also mean a lifetime of work is devalued or diminished. In most business transactions, the main difference between these two outcomes is the quality of the advice received during the sale.

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