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BUSINESS TRANSITIONS

AN EXIT FROM YOUR BUSINESS IS BOTH A CHANGE AND A TRANSITION



Business owners who are thinking about, or actually experiencing, an exit from their business are well served to understand that these changes to your business and personal life will likely have a substantial impact on your life. This newsletter not only addresses the potential financial change in circumstances that can occur from the sale or exit from a business, but it also addresses the internal transition that an individual goes through as they experience these changes. Therefore, we focus your attention on the important differences between 'change' versus 'transition' in order that you may be better prepared to achieve a successful exit.

Changes versus Transitions

In 1987 William Bridges, PhD authored a timeless pamphlet titled "Dealing Successfully with Personal Transition". In this twelve (12) page booklet, Bridges highlights the fact

that life is a series of changes. For example, we move from childhood to adolescence. We then change again from living at home to moving out on our own as well as being single to being married to having children and then to changing jobs and advancing our careers. Our 'reality' is in a constant state of change. However, underneath that change is something quiet, but highly significant, it is the internal transitions that we experience as we adjust to our new circumstances that these changes create.

Transitions and the Exiting Owner

If you are considering a future exit from your business, there will be BOTH changes to your circumstances and surroundings as well as an internal transition that you will experience. Why is

it so important to address the 'transition' that accompanies a change? Because, as Bridges points out, "the cost of handling transitions badly is high" – he includes stress and possibly physical illness that can result from poorly handled transitions. In the case of many owners that we work with, we also see a large amount of indecision that accompanies a lack of preparedness to address the transitions that accompany changes.

As a business owner, it is nice to think that one day someone else will take away the problems of running your business and will pay you a small fortune to own your company. This may happen to you and, by all outward societal measurements it would be considered a successful event. However, you will need to make an internal adjustment to your new circumstances through a personal transition in order to have a fully successful exit.

For business owners, the Change for them is the selling of their businesses. The Transition is how they deal with this change internally. It's important to remember that owners will go through two major transitions: on one hand, they are transitioning their company to new owners, but

at the same time, they are transitioning themselves to a new life!

Let's look at a few examples. Have you heard of professional athletes who retire and are broke in a matter of a few years? Have you heard all of the stories of lottery winners who lose it all not too long after they cash in their winning tickets? Why do these events happen with such a high degree of frequency and what can we learn about transitions with this type of behavior and results?

The underlying message of these stories is that these individuals had large changes in their lives but they did not successfully transition into their next stage of life as their circumstances and surroundings changed. As a result of not completing their internal transactions they found that the adjustments were too difficult to make and they reverted back to a former version of themselves.

Ways to Have a Successful Transition that Accompanies the Changes in an Exit

Bridges offers a remedy to assist in handling the internal transition that accompanies change. Owners considering an exit from their business should consider the following advice to begin to think through this important issue:

1. Don't fear the changes, they are inevitable
2. Don't deny the transition that accompanies the change
3. Seek out meaningful and purposeful activities that are business and non-business related, in which you can engage after your exit to help with the transition

Mental/Emotional readiness to exit their business. We then help them plan for their life when they no longer own their business.

As the old saying goes, 'forewarned is forearmed'. And in this case understand that a change in your circumstances will be accompanied by an internal transition. This understanding will assist you in achieving an overall successful exit from your business

Concluding Thoughts

After a lifetime of hard work, financial success, personal and professional recognition for your accomplishments and the accumulation of personal wealth, you deserve a shot at a fully successful exit. A fully successful exit is one where not only do your outward circumstances change (hopefully for the better) but one where you are at peace and, in fact look forward to the internal transition to a new you. As part of our six step process, we help business owners prepare for the change and manage the transition by first assessing their



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Clarity for Your Exit. Confidence for Your Future.

If you have questions or would like to explore these ideas further, we'd be happy to connect. Reach out to Ed at Edbarone@kintrawealth.com

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