

What Your Birth Certificate Says About Your Exit Plan

In our experience, your age has a big effect on your attitude towards your business and how you feel about one day getting out. Here's what we have found:

Business owners between 25 and 46 years old

Twenty- and thirty-something business owners grew up in an age where job security did not exist. They watched as their parents got downsized or packaged off into early retirement, and that caused a somewhat jaded attitude towards the role of a business in society. Business owners in their 20's and 30's generally see their companies as means to an end and most expect to sell in the next five to ten years. Similar to their employed classmates who have a new job every three to five years; business owners in this age group often expect to start a few companies in their lifetime.

Business owners between 47 and 65 years old

Baby Boomers came of age in a time where the social contract between company and employee was sacrosanct. An employee agreed to be loyal to the company, and in return, the company agreed to provide a decent living and a pension for a few golden years.

Many of the business owners we speak with in this generation think of their company as more than a profit center. They see their business as part of a community and, by extension, themselves as a community leader. To many boomers, the idea of selling their company feels like selling out their employees and their community, which is why so many CEO's in their fifties and sixties are torn. They know they need to sell to fund their retirement, but they agonize over where that will leave their loyal employees.

Business owners who are 65+

Older business owners grew up in a time when hobbies were impractical or discouraged. You went to work while your wife tended to the kids (today, more than half of businesses are started by women, but those were different times), you ate dinner, you watched the news and you went to bed.

With few hobbies and nothing other than work to define them, business owners in their late sixties, seventies and eighties feel lost without their business, which is why so many refuse to sell or experience depression after they do.

Of course, there will always be exceptions to general rules of thumb but we have found that – more than your industry, nationality, marital status or educational background – your birth certificate defines your exit plan.