













companies grow faster than 5.5 percent plus the cost of capital per year.

2. Increased taxes serve to reduce the amount of capital both owners and their businesses can accumulate.
3. Compared to pre-recession levels, investment income has been halved.
4. Waiting for headwinds to calm is not an option.

The good news is that a successful exit and financially secure future are still possible. Like the headwinds the bicyclist faces, these headwinds lengthen the time will take to reach your finish line or require more efficient effort on your part.

Unlike the biker who can wait another day to let the headwinds subside, Boomers contemplating their exits don't have that luxury. Owners need to act to empower them.

*If you would like more information about how we can help you to create a plan to exit your business that considers the issues involved in this White Paper, please give us a call.*

<sup>1</sup> <http://www.businessweek.com/articles/2013-11-18/larry-summers-has-a-wintery-outlook-on-the-economy>

<sup>2</sup> [http://www.morningstar.com/growth/growth\\_resultf.php?begin%5B%5D=2000&end%5B%5D=2013&beginP%5B%5D=&endP%5B%5D=&US%5B5D=NOMGDPCP](http://www.morningstar.com/growth/growth_resultf.php?begin%5B%5D=2000&end%5B%5D=2013&beginP%5B%5D=&endP%5B%5D=&US%5B5D=NOMGDPCP)

<sup>3</sup> [http://en.wikipedia.org/wiki/Rule\\_of\\_72](http://en.wikipedia.org/wiki/Rule_of_72)

<sup>4</sup> <http://www.bain.com/publications/articles/the-strategic-principles-of-repeatability.aspx>

<sup>5</sup> <http://www.nytimes.com/2013/06/09/your-money/why-many-retirees-could-outlive-a-1-million-nest-egg.html?hp&r=0>

<sup>6</sup> See: <http://www.nytimes.com/2013/05/15/business/retirementspecial/the-4-rule-for-retirement-withdrawals-may-be-outdated.html?src=rechp>

## ACT NOW

At a minimum:

1. Develop a realistic plan to grow transferable value using the tools and techniques used by the top 10 percent companies identified in the Bain & Company study.
2. Engage in tax-optimization strategies, while there is time to implement these strategies before your exit begins.
3. Create a strategy to increase the amount of investment capital available to you when you exit.

Each of these actions are part of Exit Planning, that unique process which encompasses business growth, value preservation through tax planning, and ownership transition planning for you and your business.

*Tim Barrett is a Member of the BEI Network of Exit Planning Professional™*