

## The Five Personal Elements of a Business Transition

*The following is adapted from our new book, [Your Next Adventure: Planning for Life After the Sale of Your Business](#). The book shows you how to craft a robust transition strategy that considers your business, personal, familial, and community needs. From pre-sale to post-sale, you'll learn how to plan ahead, assemble the right professional advisors, and incorporate your values, legacy, and loved ones into every choice you make.*

Entrepreneurs don't know what issues they'll face during the transition, so they do not know what issues to plan for. While you might be telling yourself "ignorance is bliss," you're failing to consider the kinds of challenges awaiting you.

Today you have a social structure and a lifestyle: you feel relevant and important, and people constantly look to you for feedback and advice. It is a natural inclination to avoid thinking about what happens when this all goes away. But these challenges are, in fact, opportunities to create a new reality—one with freedoms that take you beyond your business and the boardroom.

## Planning Your Business Transition

Personal transition planning requires engagement in ways that make many owners uncomfortable. As an entrepreneur, you work with a team of professionals who play well-defined roles: there's a process, understood methods of communication, specific jobs to do, and they're done efficiently. Staying within the realm of business issues is more comfortable than dealing with the complex, unpredictable, and often emotional personal planning.

In many family scenarios, the status quo is acceptable. Often, a spouse is engaged in their own professional career or is already retired and has their own social structure. The spouse is happy having a successfully engaged partner and a secure financial life. They're not always ready to embrace the idea of change. Thinking about life post-sale requires you to leave your comfort zone—the business—and address the personal side of your life.

## Personal Elements

Business owners generally have five complex personal elements integrated with both family and outside groups.

You are not simply selling or transitioning your business; you are undergoing a multifaceted process that impacts you and your family in many ways, now and into the future.

Your strategic plan for transition will address these five elements and impact you personally:

## Social Structure

**First**, it will impact your social structure, which has been intertwined with the fabric of your business and community.

## Personal Relationships

**Second**, it will impact personal relationships with your spouse, your children, and perhaps with other family members. You may have spent much of your time away from your family, immersed in your business, and this will end once you leave the business.

## Intellectual Framework

**Third**, it will impact your intellectual framework because the business has been your life's passion and challenge. Where is your intellectual energy going to go? What's going to absorb your intellectual intensity?

## Physical Health and Well-Being

**Fourth**, it will impact your physical health and well-being. When the transaction is complete, you will have more opportunity to engage in your physical and emotional health, relationships, and other areas of activity and interest you may have set aside while dealing with the many challenges that come with business ownership.

## Financial Life

**Fifth**, it will impact your financial life. Most businesses, especially if they're successful and of significant size, throw off a considerable sum of cash. The return on equity is quite high when the business is sold. Your previous focus on wealth creation shifts to one of wealth preservation.

A key question that must then be answered: How is that money going to be managed to support your family's lifestyle?

If you're able to plan ahead and consider how your business transition will affect the five personal elements of your life, you'll be able to handle the change much more smoothly.

*For more advice on business transitions, you can find [Your Next Adventure on Amazon](#).*

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