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November 2019 - In This Issue:

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REFLECTING

By John Zoellner, BCA, MCMEA

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MCMEA**

Sometimes it's good to take some time to reflect on what's been going on in our lives - both personal and professional. On the personal side, one of my older sisters passed a few weeks ago after a three-year battle with cancer and a few other medical issues. Her upcoming Celebration of Life will be later this month - a time to remember family things. Since some of my remaining four siblings live quite far from me, I will be blessed to see them at the Celebration. It will be a long overdue opportunity to share family memories that include my sister as well as catch up on current events that may have included here. Families take the time to get together for funerals and weddings! Like taking a picture, you are always glad you took the time to do so.

On the professional side, I've recently been engaged to appraise businesses for the purpose of transferring ownership. In one case it's the transfer from Dad to his son. In another it's the transfer to a

RETIREMENT SATISFACTION STATISTICS

To achieve a satisfactory retirement, it is important to create a post-exit lifestyle that is rewarding, vital and perhaps provides challenges. In 2011, SunAmerica, in collaboration with Age Wave, published the results of a national opinion telephone survey of 1,001 adults age 55 and over conducted by Harris interactive. The 2011 survey, titled The SunAmerica Retirement Re-Set Study, was an update to a landmark study of 1,003 adults age 55 and over conducted in 2001 by the same parties and titled "Revisoning Retirement." Following are some interesting statistics from those studies.

These are responses from the 55 - 64 age group of pre-retirees in the 2001 study:

- 95% of those not retired who are planning to retire expect to work in some capacity
- 81% desire to continue to learn
- 70% desire to try new things
- 65% would like to travel
- 63% would like to devote themselves to a new hobby of interest

Following are key insight conclusions from the 2001 study:

Retirement is no longer what it once was, a winding down . . . it now means new beginnings

There are four distinct types of retirees, and some are more successful and satisfied with retirement than others

In order to have a successful retirement, plan and prepare psychologically as well as financially

Develop a strong and long-term financial plan - with professional assistance - in order to be most likely to achieve retirement freedom

The following passages and statistics are from the 2011 study:

In 2001, most people viewed retirement as a winding down (22%) or a simple continuance of what life was (40%). Today, most (54%) view retirement as an opportunity for personal reinvention.

valued employee. In a third it's the Owner's sons deciding they don't want to own the business so the father is exploring options. The timing on the first is at the end of 2019, on the second it will likely be three years from now, and on the third timing is unknown. Looking back from the Appraiser's perspective, I believe that my opinion helped and will help the transfers to be fair and I hope smoother than without the Appraisals.

As might be expected, I have a lot of communications with possible buyers regarding Businesses that are currently for sale. Some are phone conversations, some are back and forth E-mails, some are face-to-face visits with just the buyer and some with the buyer and business seller/owner. As long as I've been in the business of advising business sellers and buyers, I always focus on why a buyer would be interested and why not. I've interacted with many Strategic Buyers - those that already own a business that one could assume appear would significantly benefit from acquiring that business. I've interacted with possible buyers that, after learning of their background and experience, saw them as a strong and capable buyer.

As I've stated often to business sellers/owners, there are two persons having opinions about the value of a business that have zero value - theirs and mine! The only opinions of the value of a business and whether that business is attractive to acquire is the buyers. Sometimes Strategic Buyers buy, sometimes they do not. Sometimes what looks like the "best buyer" isn't interested. It's a process of finding a capable and willing buyer - often a long process!

What I have observed is that I often learn more about the business for sale from buyers than the owners. Buyers have questions - often different questions from each buyer. Although buyers look at where

Almost two-thirds (65%) say they would ideally like to include some work in retirement. Those age 55 - 64 are even more likely than those 65+ to say the ideal retirement includes work (77% versus 56%).

The top reason people want to work during retirement is "the stimulation and satisfaction." A mere 4% say they want full-time work in retirement. Rather, people want to work in a more flexible and balanced fashion - and more on their own terms. A quarter want part-time work, but the biggest response (36%) came from people who want to go back and forth between periods of work and leisure to suit their new lifestyle needs.

Retirement 3.0 (2011-): A productive, purposeful and challenging new chapter in life -blending work and leisure - with opportunities for personal reinvention and continued social engagement.

Achieving financial peace of mind has replaced wealth accumulation as today's primary financial goal. People are now six times more likely to say their financial goal is "saving enough to have financial peace of mind" (82%) versus "accumulating as much wealth as possible" (13%). Moreover, unlike prior years, when people tended to focus on achieving high returns, protecting assets is now five times more important to investors than achieving higher-risk returns.

Americans may not have as many years to save for retirement as they expect. Nearly half of today's retirees retired earlier than planned, and of those who did, 41% did so because of unexpected health problems ...

Many now recognize that retirement preparation is not a do-it-yourself project, and that they need guidance to set a new, more predictable path toward successful retirement.

The percentage of people who have received professional financial planning assistance increased from 40% in 2001 to 49% in 2011.

Of those who have used financial advisors, 68% report that having an advisor has been very helpful. Those who have received professional advice are: 72% more likely to feel financially prepared; 47% more likely to feel financially secure. It's important for business owners to consider their post exit-options

These statistics are from surveys of the general population age 55 and over. Because of the emotional attachment to their business and the complexity of their financial situation, it's even more important for business owners to consider their post exit-options and involve professional advisors early in the exit planning process. To achieve a satisfactory retirement, it is important to create a post-exit lifestyle that is rewarding, vital and perhaps provides challenges.

INDUSTRY KNOWLEDGE & ACCESS TO BUYERS NATIONWIDE

the business was and where it is now, it's the future of the business that determines value and appeal. A buyer needs to formulate a Plan to own and operate the business, and if the buyer is confident that the Plan will work, and they are willing to accept the risk, they will make an offer. Perspective is important - the seller's perspective and the buyer's perspective.

Since selling and buying a business is one of the major decisions the parties will make, it's important to enlist qualified, experienced help - we are Advisors and have worked with literally hundreds of sellers and buyers.

A few moments of your time to share your thoughts with us could not only save you great sums of money, but also present you with alternatives to decisions you might make that could create unnecessary emotional strain and tension.

Our presence as a Professional Business Broker is extended nationally as a result of being associated with associates located nationwide. We also bring decades of experience and functional expertise in all the popular market segments as a result. Nothing takes the place or value in that of experience.



We partner with our clients to deliver solutions that help solve their most complicated needs prior to, during, and at the conclusion of the selling process. Our services are designed specifically to help small/medium size businesses and at a small business price. We go beyond the norm to develop new insights, prepare, market and drive results in the sale, thus insuring you receive the most value at closing.

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WHAT IS MY BUSINESS WORTH

It will cost you absolutely nothing and there is no obligation in giving us a call or an email to request a simple valuation of your business. Relying on a professional that understands your industry is important. It is also wise to work with someone who is aware of current trends; and that is working with both buyers and sellers daily. This approach insures you plan for and receive the maximum return on the transfer of your business.

NEXT ISSUE

FACING YOUR OWN MORTALITY

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