

THE #10T BABY BOOMER BUSINESS TSUNAMI: HOW SMALL BUSINESS OWNERS CAN PROFITS (OR LOSE) BETWEEN 2023 AND 2033 FROM THE LARGEST WEALTH TRANSFER IN HUMAN HISTORY

We are witnessing a profound shift in small business ownership poised to change the landscape of the United States economy in a manner not previously seen in history. As we delve into this transformative era, we aim to provide insights and strategies to seize opportunities arising from this unprecedented phenomenon.

While our reports are typically concise, the magnitude of this matter necessitates a more comprehensive analysis. Therefore, we have chosen to provide a deeper exploration rather than a condensed overview.

BACKGROUND

Small businesses comprise 99.9% of all companies in the United States and play a crucial role in the nation's economy. According to the U.S. Small Business Administration (SBA), these 33 million small businesses—of which 6 million are employer firms and 27 million are solopreneurs—account for 44% of the country's Gross Domestic Product (GDP), the most common descriptor of the overall economy.

These enterprises employ over 60 million Americans, accounting for 46.8% of the national workforce. Moreover, since 1995, small companies have generated more than two-thirds of net new jobs in the country. Notably, in 2021, the number of new business applications filed (5.4 million) exceeded the number of live births (3.7 million).

Given their significant impact, lending political support to small businesses has become a critical political agenda embraced by both

Republicans and Democrats. The influence of small businesses on the United States cannot be overstated.

The Growth of Small Businesses and the Baby Boomer Factor

The number of small businesses in the United States has doubled since 1980. This growth is attributed to the Baby Boomer generation, whose members were between 16 and 34 years of age, or a median of twenty-five in 1980. Baby Boomers have experienced considerable success as small business owners, as evidenced by their impressive wealth statistics. They have been the driving force in expanding the small business impact and entrepreneurship witnessed over the past 45 years.

As of mid-2023, Baby Boomers, born between 1946 and 1964, range in age from 59 to 77, with a median age of 68. Many Baby Boomers are approaching or have already exceeded retirement age.

Economists have long projected a labor shortage as Baby Boomer employees retire. The combination of this anticipated labor shortage and “The Great Resignation” phenomenon following the COVID-19 pandemic has resulted in a current labor shortage not witnessed in decades, with further challenges projected. Of note, these factors are also contributing to increasing wages and inflation.

Baby Boomers own approximately 50% of small businesses in the United States. A study conducted in 2021 by Guidant Financial revealed that 57% of small businesses were owned by Baby Boomers.

Baby Boomers and Their Influence on the Economy

The Baby Boomer generation has profoundly impacted various sectors and industries, shaping American culture and the economy throughout their lives. From their childhood, where they influenced breakfast cereals, TV shows, and toys, to their teenage years, when they set trends in rock-n-roll music and cars, Baby Boomers have driven the American industry's growth and evolution. (Think about the incredible music and cars made between 1967 and 1976... all catering directly to Baby Boomers!)

Their preferences have influenced diverse economic sectors such as automobiles, housing, hospitality/restaurants, recreation, healthcare, retirement savings, and entrepreneurship. This dynamic relationship between the Baby Boomer generation and the United States economy has become a defining element of our current cultural and financial landscape.

The \$10T Baby Boomer Business Tsunami

Since the early 2000s, economists and business experts have been discussing the massive impact of the "Silver Tsunami" associated with retiring Baby Boomer business owners. Considering their prominence, this trend will

have far-reaching consequences for the country, Baby Boomer business owners, younger business owners, business support services, and the overall economy.

Projections indicate that a staggering \$10 trillion in business value will need to transfer as Baby Boomers business owners hand over the reins of their small businesses. This transfer of wealth is a significant part of the overall, more extensive wealth transfer that Baby Boomers will bequeath to future generations, valued at \$68 trillion. While the complete wealth transfer will not wrap up until Baby Boomers pass away, the \$10 trillion in small business wealth will transition much earlier—after average retirement age, but well before their deaths.

This transfer of wealth from Baby Boomers has been hailed as the most significant wealth transfer in human history, underscoring its monumental importance.

Implications of the Business Transfer

The transfer of these small businesses will have a significant impact, evident in the staggering statistics surrounding the subject. According to a report by Wealth Management, Baby Boomers own 12 million businesses. Project Equity highlights that these Baby Boomer-owned businesses employ over 32 million workers, with a payroll of \$1.3 trillion and projected sales of \$6.5 trillion. Considering that each employee affects an average of one American family, it becomes apparent that nearly 100 million Americans depend on Baby Boomer business owners, equating to almost one-third of the country's population.

As mentioned earlier, in mid-2023, Baby Boomers ranged in age from 59 to 77, with a median age of 68. This suggests that we are currently in the midst of this transition. However, it is worth noting that the mass exodus of Baby Boomer business owners has started, but its fullest impacts have yet to occur.

Many business owners choose to continue working well into their seventies, as they remain productive and have built their lives around their companies.

Another factor influencing this mindset is that small business sales often do not typically yield substantial financial windfalls. Although small businesses have created considerable wealth, especially higher-performing ones, the selling price multiples for small companies typically range from 2.5X to 3X of earnings for standard companies, which for many owners feels exceptionally low considering the time, money, and stress invested. Many entrepreneurs consider this, along with capital gains taxes on the sales proceeds and broker and transaction fees and conclude that they may as well just keep the business.

Additionally, surveys indicate that 80% of small business owners lack an exit plan, while 98% do not know their company's value. This lack of preparedness contributes to the "holding on" phenomenon observed among Baby Boomer business owners. In many ways, Baby Boomer business owners are simply "kicking this can down the road," yet they are getting older each day.

Moreover, it is well-documented that many small business owners invest in their businesses rather than traditional investment vehicles such as the stock market or real estate. Consequently, a significant portion of their wealth remains tied up in their own business, with the hope of a substantial windfall upon exit. Sadly, for many, the math does not line up.

Challenges in Selling Businesses

For many Baby Boomer business owners, the goal is to sell their companies, which is a massive part of their overall retirement plan. However, historical data suggests that selling businesses may prove more challenging and less frequent than anticipated.

Multiple surveys within the business brokerage industry indicate that only 20% of business listings actually result in a sale. This is the case during normal times. When many Baby Boomers exit business ownership simultaneously, the market will face abnormal conditions—a much larger supply of businesses than usual—which could impact both the percentages of businesses that find buyers and the price of those companies.

One platform that aggregates closely held business listings, similar to how Zillow.com or Realtor.com does for residential houses, is www.BizBuySell.com. Under normal circumstances, BizBuySell features approximately 60,000 business listings. Mergers and acquisitions (M&A) statistics show that, optimistically, only around 100,000 businesses sell in a given year.

Considering that only half of the 12 million businesses owned by Baby Boomers are sold, with the remainder either being transferred to family members or shut down, selling all these businesses at the current pace of 100,000 businesses per year would take sixty years. Waiting until they are 128 years old to exit fully is not a desirable option for Baby Boomers.

However, if half of the 12 million businesses (6 million) will be sold over the next 15 years, which is a more realistic estimate, it will mean that 400,000 businesses would sell per year. This represents over four times the current rate. Factoring in businesses sold by other age groups, the number would be even higher.

Another way to look at this is to assume that 80% of the 3 million employer firms owned by Baby Boomers will sell in the next eight years. This would be nearly 300,000 Baby Boomer businesses sold per year. Combine that with non-Baby Boomer business sales; a 4X estimate is pretty conservative. (We have seen other sources projecting this number as high as 12X.)

Can the Market Handle a Fourfold Increase in Business Sales?

Economists express concerns regarding the market's ability to accommodate such a significant increase in business sales. Firstly, the fact that only 20% of listed businesses typically sell is obviously cause for concern. This becomes even more exaggerated when potentially four times as many businesses become available for sale, creating an abundance of supply.

Furthermore, as Baby Boomers retire, Millennials and Gen Xers are in high demand to fill the vacant jobs, creating excellent employment, non-business owner opportunities. Similarly, many Baby Boomers are disappointed that their children do not want to take over their companies, and they struggle to find qualified employees capable of assuming business ownership. This also contributes to the "holding on" effect mentioned earlier, which we believe is delaying this inevitable surge.

Capital and Talent Shortages

Compounding the challenge of a wave in businesses for sale is that potential buyers, particularly Gen Xers and Millennials, are less financially well-off than the Baby Boomers themselves. According to the US Census, Gen Xers have approximately half the per capita wealth of Baby Boomers, while Millennials possess half the wealth of Gen Xers. Spending/saving habits, economic conditions, and inflation influence this disparity. Consequently, both a talent shortage and a capital shortage to facilitate the transition of these Baby Boomer-owned businesses are concerning.

While the US Small Business Administration (SBA) and commercial banks offer attractive financing opportunities, individuals typically need to provide a 10% down payment to qualify for purchasing a business. If the projected \$10 trillion worth of businesses become available

over the next ten years, do Gen Xers and Millennials collectively possess \$1 trillion in savings for down payment investment? Additionally, they would need to prove their creditworthiness to secure the remaining \$9 trillion in debt financing.

These statistics have raised "red flags" for economists and government officials monitoring the situation who are skeptical that the wealth of the younger generations can support the required investments.

Efforts are underway to tackle these challenges, with the SBA and commercial banks recognizing the macroeconomic necessity and potential business opportunities. However, additional steps will be necessary to address the impending issues. The upcoming sections of this report will explore the impacts on Baby Boomer business owners, younger generation business owners, and business support organizations in more detail, highlighting both the risks and opportunities of this "once in a lifetime" phenomenon.

SUGGESTIONS FOR BABY BOOMER BUSINESS OWNERS

This report section aims to provide valuable suggestions and compelling insights to Baby Boomer business owners considering selling their businesses in the next decade.

We acknowledge and applaud the remarkable achievements of Baby Boomer business owners in building successful companies and attaining impressive wealth. Your contributions to small business success are fantastic!

For many, selling the business is the ultimate pinnacle of this success; it represents the culmination of years or decades of hard work, passion, and emotional investment. Undoubtedly, you have seen friends, colleagues, or competitors sell for enviable amounts over the past decades. We believe selling your

business is and will continue to be this ultimate exit opportunity.

However, with many exiting Baby Boomer owners over the next ten years, the current landscape presents unique dynamics that require careful consideration and proactive action for a successful business exit.

Drawing on our expertise in business consulting, small business lending, and business brokering, we offer the following tips to enhance the probability and scale of your business's projected success during the exit process.

Tip 1: Get Your Head out of the Sand

To navigate the increasingly competitive market, it is essential to raise your awareness about the factors impacting the sale of your business. By reading this report, you have taken an essential first step towards starting to understand the prevailing circumstances.

After seeing this information, you will know more about the overall circumstances than you did before. In the past, especially when Baby Boomers were still buying businesses, a Seller could be more casual and happenstance and still successfully sell their business. That is different today.

While we want you to be confident about selling, being relaxed or cocky about it is a recipe for challenge. Selling your business today requires more than informal efforts. It demands a shift from being uninformed to being well-educated about selling. Embrace the seriousness of this endeavor and work towards implementing intelligent solutions to distinguish your business in a crowded field.

Tip 2: Develop an Informed Exit Plan

It is surprising to learn that 98% of business owners do not know the value of their

companies. Such a lack of knowledge is unacceptable if you want to sell your business.

Even if you plan to sell in the future, understanding your business's current value is crucial. To increase its value, you must identify the factors contributing to your company's worth, anticipate what potential buyers seek, and take actionable steps to improve those aspects.

While improving your business's presentation does not necessarily require decades, it certainly demands more than a few months of "last minute" focused effort. Formulating a reasonable plan that outlines your current business value, targeted exit value, the necessary steps to close the gap, and an estimated timeline is critical. Moreover, aligning your company with buyers' expectations and positioning it for sale will yield better results.

Tip 3: Get Your Financial House in Order

While buyers and their banks appreciate the narrative behind your business, more commonly, they heavily rely on the financial numbers. The analysis primarily revolves around whether the existing cash flow of the business can support the loan payments and provide sufficient funds for reinvestment and compensating the buyer.

Although your business may be unique to you, banks and buyers typically evaluate cash flow streams and their debt-servicing capacity as their primary points of decision-making, and they do so in a manner that may feel cold, impersonal, and sterile. While this reality may be challenging to accept, acknowledging and embracing it (instead of fighting it) will improve your chances of a successful transaction.

To present the most compelling case, ensure your financial statements are accurate, well-supported, and up-to-date. In particular, maintaining current business income tax

statements, which hold a higher value than self-reported numbers, is essential. If your broker, the buyer, or the bank asks for financial information, you should provide it rapidly without excessive explanation, follow-up required, or delay. In this case, precision matters.

Additionally, accurately presenting important financial figures like "Owners Cashflow" or "Seller's Discretionary Earnings" requires computation beyond traditional financial statements or tax returns. These numbers are challenging to find in traditional financial statements or income tax returns and require computations to get to the numbers. While CPAs can assist in determining these figures, our business brokerage offers complimentary evaluation services to help you in this regard.

We hate to be this blunt, but if you cannot solidly support your financial numbers, you have little chance of selling your business.

Tip 4: Engage a Highly Competent Broker

Earlier, we mentioned that the business brokerage industry only has a 20% success rate at selling businesses. However, not all brokers are created equal, and their capabilities can significantly impact the transaction outcome. Quality matters, and the strength of your broker can make or break the deal. This is particularly important as the number of businesses available for sale will rise over the next decade.

Therefore, it is crucial to select a broker very carefully. Look for experience, a proven track record, recognitions, an entrepreneurial mindset, and a tenacious deal-making approach. Favor a more assertive broker over a passive one, as listing a deal and finding buyers is entirely different from completing successful transactions.

Tip 5: Can the Attitude

It is a natural tendency for different generations to overgeneralize and perceive their generation as superior while downplaying the abilities of others. We also see this in personal preferences like sports team teams and how we view companies. We tend to believe that our generation is perfect while the others suck.

Baby Boomers, for example, experienced this as they grew up, hearing older generations criticize their behavior and choices with things like, "I can't believe this younger generation." Baby Boomers were hippies, exploded the use of recreational drugs, and even took casual sex to the level of having a whole summer dedicated to love. So your parents said it about you ... "I am not sure about young people these days."

Now, as Baby Boomers, it is common to find ourselves adopting a similar attitude toward younger generations. (Yes, we have become your parents!) You may perceive them as lazy, lacking work ethic, and unable to effectively run our businesses. We may struggle to understand their constant attachment to their phones and social media trends that seem very strange. This condescending behavior, however, is so prevalent that Millennials coined the mocking phrase, "Okay Boomer," in response to these attitudes.

It's important to acknowledge that this tendency is not specific to you but a common aspect of human nature. Furthermore, it is a convenient mindset to adopt when you are the business owner and hold authority. As the boss, you may feel that your way is the only way and that you possess the necessary expertise alone.

While this mindset can work in parenting, running a business, or other areas, it is not conducive to successfully selling a business.

When you are looking to transition your company, believing that no one else can run it effectively will likely result in difficulties finding

buyers. Looking down on younger generations (those in their 30s to 50s) as inexperienced, lacking talent or work ethic will hinder your ability to complete a transaction.

Instead, viewing your potential business buyer as a customer—specifically, the most critical customer for your business is crucial. Buyers want to feel respected and valued. They want to be confident that the owner believes in their ability to succeed with the acquisition.

Selling a business requires a shift in attitude. Rather than looking down on younger generations, recognize the valuable skills and unique perspectives they bring to running a business.

They may prioritize work/life balance, leading to better decision-making. Their technological savvy, including their understanding of progressive artificial intelligence and social media trends, can bring new dimensions to your business that you may have yet to consider. Additionally, their environmental consciousness may make them better owners for your business than you were, even if you initially dismiss their concerns. Remember, they will likely sell to their age group, not yours!

By opening your mind to these possibilities and adjusting your attitude, you can significantly improve your ability to sell your business successfully.

Tip 6: Consider Selling Sooner More Than Later

When examining the data and insights presented in this report, including the phenomenon of "holding on longer," we believe that the wave of business transitions, which inevitably must occur, has been slightly delayed. As a rough estimate, we anticipate being in the initial stages of a ten to twelve-year period that this phenomenon will significantly influence.

We generally observe an upward trend in the birth rates between 1946 and 1964. Taking this

into account, along with owners delaying the sale of their businesses and with lower success rates than desired, we can expect the "backlog" of businesses awaiting sale to grow each year.

As a result, we anticipate that the level of competition today will be lower than it will be in three years. We expect the competition to be higher in five years than in three. This cumulative effect will likely continue over the next 10 to 12 years until more stabilizing factors occur and the M&A world normalizes.

Assuming other things are equal, we predict that selling a business in 2023 will be relatively more manageable compared to 2026. And it will be even more challenging in 2029. This holds true even if the overall M&A activity shows record-setting levels.

Should you consider selling your business today instead of waiting for the future? Potentially. However, this decision refers to the planning process we highlighted in Tip #2. If you lack a well-defined plan or a reasonable understanding of the exit, pinpointing the optimal timing becomes a mere shot in the dark.

Nevertheless, it is vital to reassess the historical notion that "holding on for a few more years will increase the value of my business." Today, this may not hold as true as it did in the past. As entrepreneurs, we tend to be naturally optimistic, believing that better levels of success are "just around the corner."

Many business owners may be better off selling sooner than later.

Tip 7: Get Creative

The traditional approach to selling a business has typically involved closely held business owners selling to another closely held business person, facilitated by a broker and bank / SBA financing. Historically, a significant portion of business sales fell within this approach.

However, with the increasing number of Baby Boomer businesses entering the market for sale, innovation is needed. Both sellers who find the traditional strategies unviable and businesses who recognize this economic shift as a significant opportunity will drive creative solutions. While an in-depth exploration of this topic could fill an entire report, here are a few key considerations:

- Business owners may need to explore non-traditional ways to have employees run the business while retaining equity or transferring equity to employees in alternative ways rather than simply selling the business outright.
- Merging with a competitor might be another viable option, but establishing mutually beneficial terms will require creative thinking.
- ESOPs (Employee Stock Ownership Plans) present an intriguing transaction methodology, despite the associated cost of entry and, typically, the seller's role as the financier. ESOP businesses generally experience high levels of success and quality of work life. Furthermore, there can be significant tax savings (on the share of income owned by the ESOP) that can aid in compensating the previous owner (you) and making the ESOP a more viable option.
- Private equity companies are likely to continue their increasing interest in acquiring smaller businesses—though historically, they have focused on companies on the larger end of this spectrum and larger than typical small businesses.

In most cases, this strategy will resemble a "rollup" approach, wherein a company focuses on acquiring a larger number of smaller companies and consolidating them into one larger entity. Stay informed about companies acquiring smaller businesses in your industry, as they might also express interest in purchasing your company.

- Anticipate the emergence of unique private and public sector programs designed to facilitate these business transitions. The government will strive to protect jobs and create solutions. Similarly, banking and investment strategies will likely adapt to cater to the new needs. We expect to see things that differ from those seen historically. As a business owner, it is crucial to remain aware and open-minded about these newer, unique opportunities.

While many transitioning Baby Boomer businesses will follow a more traditional acquisition path, many successful transitions will embrace innovation, hybrid models, and uniqueness. Adopting a creative approach can enhance your probability of achieving a successful transition.

OPPORTUNITIES FOR YOUNGER BUSINESS OWNERS

This section of the report focuses on the opportunities for younger generations, starting with, but not limited to, Gen Xers and Millennials and younger, as they navigate the economic landscape shaped by the retirement of Baby Boomer small business owners. This "Silver Tsunami" wave of business exits presents a unique chance for younger entrepreneurs to step up and make their mark in wealth building and economic growth.

This means the time has come for the next generation of business owners to showcase their capabilities and dispel the notion (from Baby Boomers) of being "Slackers." As Baby Boomers retire, there is a pressing need for younger generations to assume leadership roles and drive the wealth-building process. By stepping up, you secure your own future and contribute to the overall economy, as highlighted by the macroeconomic statistics presented earlier in this report.

The time is now! For decades, Baby Boomers have dominated the economic and wealth-building landscape. Opportunities Boomers may have previously gobbled up are now open for younger generations. Many are in desperate need of people to move into those roles. Please recognize that the baton is being passed to you, and it's your chance to make a significant impact and capitalize on the power of those existing wealth-building assets.

As younger business owners, you have a unique advantage in understanding the evolving landscape of technology—including social media and artificial intelligence—and changing consumer preferences.

The following tips guide the next generation of business owners to capitalize on the incredible opportunities in front of them.

Tip 1: Step Into Leadership

In today's evolving business landscape, it is essential to anticipate future leadership transitions, especially if your current company is owned by a Baby Boomer nearing retirement. Take a moment to assess your team and envision a scenario where no external leader is brought in to fill the void. In such a situation, who would step up to assume leadership?

If the answer seems uncertain or no one readily comes to mind, consider nominating yourself for this role. How can you do that? Begin by adopting the mindset and behaviors of a leader. Shift your perspective from viewing your employer as an adversary to putting yourself in their shoes. Focus on leading and supporting others and prioritize collective success rather than merely fulfilling your job responsibilities.

While this approach does not guarantee that you will ascend to a leadership position, it opens up an opportunity that may not be apparent to your current employer. Furthermore, if you outgrow your current company by surpassing

the expectations of your role, you will discover additional avenues for growth and advancement, as explored in this report.

Remember, a significant aspect of becoming a leader is embracing the mindset and attitude of one.

Tip 2: Study how to become a business owner

Never in the history of humankind has it been easier and cheaper to acquire knowledge.

In today's digital era, developing a marketable skill is more within the reach of every person on the planet than in all human history.

This realization is both powerful and disruptive. In the past, obtaining the necessary know-how was often challenging to access, expensive, or restricted to attending specific learning institutions or obtaining expensive licenses.

Fortunately, this is no longer the case. This is especially true when it comes to running a business.

It removes the excuses of access—barriers have been completely dismantled. Access is either completely free or dirt cheap. Compared to how the Baby Boomers had to learn, your access to information is literally and figuratively in the palm of your hand. This does not require a college degree, but it likely requires more than the cheesy "get rich quick" stuff being pedaled.

With widespread access to information, it comes down to deciding, then backing that decision up with the work required to get there. Boomers did not have "Netflix and Chill." They worked their asses off all week and made it a special occasion to go to the movie theatre on Saturday nights.

Earlier, we discussed concerns about the capital and talent gap. Here's the good news: if you possess the talent, the opportunities outlined in this report and the resources mentioned in its

conclusion will guide you in figuring out the capital. This makes talent the critical driving and limiting factor.

To navigate this transition successfully, focus on developing your skills and abilities to assume a leadership role. Contrary to popular belief, it doesn't take decades or even years. By reading informative books and seeking appropriate guidance, you can quickly position yourself to capitalize on the forthcoming wealth transfer.

Additionally, when presented correctly, a huge number of retiring Baby Boomers will be interested in sharing their knowledge and experience as consultants or mentors. Keep your eyes open for these opportunities and be open to—or even seek out—guidance.

Before embarking on business ownership, educate yourself on the fundamentals. This knowledge will provide a solid foundation for your entrepreneurial aspirations.

Tip 3: Choose acquisitions over startups

As we previously mentioned, there were more business "births" in 2021 than actual births of people, reflecting the United States' fascination with entrepreneurship, especially in the startup space.

Numerous surveys have revealed that most (upwards of 95%) of the US population aspires to own a business someday. However, only a tiny percentage (less than 2% for employer firms) achieve this goal. Additionally, surveys of parents consistently indicate a preference for their children to become business owners rather than doctors or lawyers. Even professionals like doctors and lawyers often start small companies to transition away from what they view as professions that are only high-paying jobs and embrace the freedom and wealth-building potential that business ownership offers.

However, startup success rates are discouraging, and many of us are familiar with these statistics. Approximately 90% of small businesses fail within the first few years, with the numbers increasing over time.

Surprisingly and not as well known, the Small Business Administration (SBA) presents a different narrative through their 7(a) loan guarantee program, a 70-year-old wealth-building mechanism. According to the SBA, only one in seventy-two 7(a) loans default. These are the types of loans specifically used to acquire existing businesses with established cash flows, employees, and customers—the very type of businesses that Baby Boomers are currently looking to sell.

While acquiring an established company may not possess the same allure and excitement as a cutting-edge tech startup, the difference in success rates is night and day. Let the other person brag about their startup at parties, while you step right into a higher probability of success and wealth with acquisitions.

We strongly encourage aspiring entrepreneurs to consider purchasing a robust existing company rather than starting a new venture from scratch. This approach is more likely to succeed and offers greater fulfillment and profitability.

This advice is especially relevant between 2023 and 2033, when a substantial number of excellent businesses will become available as their current owners exit, with fewer potential buyers in the market.

Tip 4: Embrace the unprecedented opportunity

The contents of this report unveil a remarkable and unparalleled event in the history of humankind.

The question is: Will you seize this opportunity, or will you watch as others capitalize on the rewards it offers—income and wealth? As

mentioned earlier, the US economy and millions of Baby Boomer entrepreneurs are counting on the younger generations to step up and take charge.

During this time, abundant numbers of high-quality businesses will be available like never before. Moreover, due to the anticipated high supply, prices are expected to be lower than ever. This presents a rare buying opportunity that doesn't come around often, if ever.

Will you recognize its significance? Those who deeply appreciate the magnitude of this opportunity and make strategic investments will likely uncover incredible prospects.

Tip 5: Stay alert to the changing tides

It is crucial to recognize that the current situation is far from ordinary, and there is a lot at stake for the economy regarding sustaining jobs and the GDP generated by Baby Boomer businesses.

The government and the private sector will be highly motivated to drive innovation and facilitate these transitions.

Consequently, opportunities will transform to adapt to the new landscape. They will present themselves in different ways than what we've seen in the past. By remaining observant, well-connected, and open to change, you can position yourself to seize these evolving opportunities.

Tip 6: Embrace the Power of Multiple Business Ownership

As a next-gen business owner, it's valuable to recognize the incredible potential of owning multiple businesses. While it may require a higher level of skill and expertise and the ability to establish efficient systems, train employees effectively, and establish and delegate tasks to a strong leadership team, the rewards can be substantial.

In the current landscape, with numerous businesses up for grabs, those who can master the art of managing multiple ventures will have the opportunity to acquire and oversee multiple companies. This amplifies your potential for wealth generation and diversifies your business portfolio, mitigating risks and expanding your reach across different industries.

By becoming a savvy multiple business owner, you can leverage synergies, cross-promotion, and shared resources among your enterprises. This approach allows for increased scalability, profitability, and the ability to capitalize on emerging opportunities.

However, it's essential to approach this strategy with careful consideration. Ensure you have a solid foundation for each business and a competent team to support you. Embrace continuous learning, refine your management skills, and foster a culture of innovation across your enterprises.

By venturing into multiple business ownership, you position yourself at the forefront of wealth creation, business expansion, and entrepreneurial success in the dynamic and ever-evolving market landscape.

Tip 7: Leverage acquisitions as a business growth strategy

As a business owner, over the next decade, you will have a unique opportunity to propel your company's growth by strategically acquiring other businesses relating to the contents of this report. This approach allows you to expand your horizons and add value to your existing enterprise.

Acquisitions can take various forms, including "bolt-on" opportunities seamlessly integrating another company into your current business framework. Pursuing such opportunities can enhance your product and service offerings, gain access to new customer segments, tap into

a pool of talented employees, and expand your geographic reach.

Forward-thinking business owners understand the importance of actively monitoring the market for potential acquisition prospects. You can supplement your organic growth strategies with strategic acquisitions by staying informed and seeking out suitable opportunities. This proactive approach ensures you remain at the forefront of innovation and market expansion.

One compelling aspect of using acquisition as a growth strategy is utilizing the cash flow generated by your core business. Instead of merely focusing on day-to-day operations, you can allocate a portion of your profits toward acquiring complementary businesses. This approach exemplifies the concept of "reinvesting" in your future success, fueling sustainable growth and maximizing the potential of your entrepreneurial journey.

In today's business landscape, acquisition opportunities are plentiful due to retiring Baby Boomers, with numerous businesses ripe for strategic integration. By adopting a deliberate and calculated approach to seeking out these opportunities, you position yourself to leverage the power of acquisition as a catalyst for accelerated growth and long-term success.

Remember, the businesses you seek to acquire represent more than just financial assets; they hold the potential to unlock new avenues of prosperity, drive innovation, and fortify your position as a leading player in your industry. Embrace the power of strategic acquisitions and embark on a sustained growth and expansion journey for your business.

Tip 8: Be Prepared to Poach

As a business owner, it's essential to consider a bold approach that may ruffle a few feathers, especially for our Baby Boomer readers. However, it's an approach that both you and

they should be aware of: be prepared to poach from your competitors who may shut down their businesses or lose steam.

Imagine having a strong competitor in your market with an ageing owner who, despite the advice shared in this report, continues to focus solely on the day-to-day operations of their business. They neglect the necessary steps to plan for the future and eventually find themselves in a predicament. As time passes, they grow older, and without viable options, they may be left with no choice but to close their doors.

Who will employ their team? Who will serve their customers?

This situation presents an opportunity for you. You can identify when your competitor's business is reaching its tipping point by staying vigilant and observant. Without the owner's succession plan, their team and loyal customer base can be left in limbo, which is where you can step in.

While this approach may seem like leaving things up to chance, it's crucial to evaluate the suitability of this strategy against other more assured methods. However, the circumstances are set for such occurrences to unfold in the current business environment.

By leveraging your awareness and seizing the moment, you can swoop in and acquire not just tangible assets but also intangible ones—talented employees and loyal customers. This approach doesn't necessarily require a full purchase; it entails strategically attracting and integrating these valuable assets into your business ecosystem.

Of course, it's essential to approach this strategy with tact, professionalism, and respect for all parties involved. Talent acquisition through this method should align with your overall business objectives and values.

While other strategies may offer more certainty, being prepared to poach in the right circumstances can yield unexpected rewards. Embrace the notion that opportunities to acquire talented individuals will arise and be ready to seize them when the time is right.

Tip 9: Seek out Interesting Partnerships

Our company understands the significance of these matters, to the extent that we have crafted this comprehensive report on the latest trends. We are actively pursuing inventive solutions to facilitate these transactions. These strategies draw inspiration from business brokering, commercial lending, private equity, technology, consulting, and training. Rest assured, others in the industry are also following suit.

When confronted with such a colossal economic trend and apparent gaps in the

current approach, it creates an environment ripe for innovation. Forward-thinking next-generation business owners (and those aspiring to become business owners) will diligently monitor these techniques and changes.

In many instances, these initiatives will seek partnerships. Simply put, talent and capital will converge ingeniously to address solutions and capitalize on opportunities.

Stay alert and receptive. Intriguing new strategies will emerge to tackle this highly captivating trend.

Thank you for your interest in this report. We hope you have found it informative and valuable.

About the Authors and Ways They Can Help

Chad Peterson, Lee Levinson, and Curt Clinkinbeard are co-authors of this report and partners at Peterson Acquisitions, a business brokerage company. Chad has been recognized as the #1 business broker in the country, Curt has a business consulting background, and Lee was a commercial / SBA lender for nearly 30 years. We have several programs within our company and related companies that are relevant to these opportunities. Here is a brief overview:

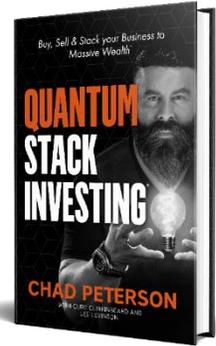
- **ChadPeterson.com website** – Discover comprehensive and affordable tools to learn the process of buying, selling, and investing in closely held companies.
- **Peterson ValuBuilder™ program** – If you own an existing business that you want to grow and prepare for a later sale at the best price, we provide a roadmap and assistance. Consider this as the ideal preparation for owners planning to exit in the near future.
- **CoClarity™ AI BizValu™** – For less than \$100, you can use our artificial intelligence calculator to estimate the reasonable ranges of the estimated value of your business and receive a list of suggestions for improving this number.
- **Peterson Capital** – We offer investment capital for aspiring business owners who lack the necessary funds to purchase a business or seek to combine their existing capital with ours to acquire a larger entity. This program establishes a unique partnership between Peterson, the owner/operator, and

capital investors. We strongly believe in this opportunity to acquire a company in collaboration with our team, which is more advantageous than pursuing a business on your own.

- **Peterson Launch Pad™** – We train aspiring business owners, preparing them to assume leadership positions within companies they may acquire with our assistance. If you aspire to own a business but are uncertain about where to begin, or if your employer is urging you to step up and you need guidance, this is precisely what we specialize in.

- **Peterson Next-Employee-Up™ program** – Designed for business owners who want to transition ownership to a key employee or a small team without utilizing the full-blown ESOP method. We offer options where the current owner can choose between an immediate cash-out or a program that allows them to retain ownership and receive a stream of cashflow over time.

- **Peterson LAMP program** – This program seeks partners to represent our multiple companies and the above programs within a specific local geographic region. Join forces with Chad Peterson and become a partner!



Selling a business is an extraordinarily complex process that requires a high level of expertise. This report shows you some of the enormous impacts projected due to the exit of Baby Boomer business owners projected in the years 2023 through 2033.

At Peterson Acquisitions, our success rate is closer to 90% because we do things differently than the typical brokers. Chad Peterson is recognized as the country's #1 business broker because he—and his team—have a very specific and unique approach to selling businesses. Contact us today to learn more about our educational tools (www.ChadPeterson.com), Quantum Stack Investing (our proprietary system for wealth building for closely held business people—which does help Sellers generate greater wealth), and brokerage services at www.PetersonAcquisitions.com. Thank you for reading this report.

Chad Peterson - #1 Business Broker in the Country