

Do You Have a Plan?



There are an estimated 78.2 million baby boomers in the U.S. today, and of these about 7,900 will turn 62 each day this year. This means roughly 330 Americans reach retirement age every hour, according to the U.S. Census Bureau.

Many of these near-retirement baby boomers are small business owners like yourself and are most likely getting ready to hand over the baton to someone else. Over the next 15 years, more than half of the country's small- and medium-sized family business owners are expected to retire. Unfortunately, research has shown that nearly half of these business owners do not have a plan for the future of their business.

Many family business owners might think they don't need a plan. After all, you probably took over the business from your father, so your own children will take over for you, right? But what if your kids don't want to get into the water treatment business? Or what if you don't even have children? A recent survey by the Family Business Institute found that less than 5% of all family-owned businesses successfully transition to the third generation of family ownership.

The fact is succession planning is essential. Even if you are still many years away from retirement, you need to start planning your business' future today. Transitions take time—not only is there a lot of administrative work you will have to do but it also takes time for employees to accept and get comfortable with changes, so start sooner rather than later.

In planning for the future of your business, you should know its current status. Determine the value of your company first, and make sure accountants and attorneys are involved with this.

You should then begin to identify an ideal replacement for yourself. Do you want your business to remain in the family? Are there any current managers or staff members who you think could take over? Or do you want to sell the entire company to an outside organization?

These are all important questions you need to be asking yourself, but regardless of what you decide to do, you should always consider the future of your loyal employees. You probably have some staff members who have been with you since the beginning and you will want to make sure these comrades are taken care of if you decide to leave.

Once these important decisions are made, you can begin the gradual transfer of ownership and management responsibilities to your successor. But remember that a moderately paced transition will provide the best environment for the company as a whole.

I can only imagine that the act of passing over your business to someone else will be an extremely difficult and emotional process, so don't be afraid to seek guidance from an advisor or peer who has been through the experience before. But as long as you start planning in advance and have a clear course of action drawn out, the process will be a lot easier and you will be confident in the future of your business.

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coming up next month

The July issue of *Water Quality Products* will feature commercial and industrial systems, membranes, disinfection, connectors & accessories, WQA forum, IOA column and sales tips. Be sure to visit our website at www.wqpmag.com for daily industry news updates.

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