

## You Don't Work with Business Owners? You Should.

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Yes, I know...millennials have moved out of their parents' basements and are now in their 30's. It's a big opportunity to handle the transfer of wealth from boomers to millennials, but as many firms focus on this transfer which will take more than 20 years to come to fruition, they are walking right past the best opportunity for growth that surrounds them every day...the business owner. Advisors have ignored business owners for a number of reasons: "they have all of their money in their businesses so there's no money to manage", "they are already serviced by their banker or CPA" and the issue that exists yet is unspoken about: "I'm intimidated because I don't know how to talk to them about their business."

**Over the last decade, I've spent a lot of time with advisors. Around 75% of them say they don't work with business owners. However, most of them haven't stopped to think about what they are missing:**

- **\$13.1 Trillion** in business owner wealth in the US today (up from \$6.3T 10 years ago)<sup>1</sup>
- **27 Million** SMB's in the US today<sup>2</sup>
- **78%** of them plan to fund some of their retirement through the sale of their business<sup>3</sup>
- **40%** of business owners have no life insurance, **50%** of those that do are under-insured<sup>4</sup>
- **98%** of businesses don't value themselves<sup>5</sup>
- Over the next decade, baby boomers will have **\$60 Trillion** to invest from three areas. Their homes, their 401k's, and **their businesses**.<sup>6</sup>

That coupled with the fact that the entire industry is under pressure to provide more comprehensive financial planning, is making the business owner more attractive while they are operating their business as clients are more receptive to paying for planning versus paying for a product.

Business owners need advice throughout the entire life cycle of their business. Early on, they need to make sure they have a solid plan and are properly protected against risks to their business. As they grow, they need to ensure they have capital to fuel that growth, and they need to incentivize and keep the key people in their organization that are driving growth. Eventually, they need to plan their exit. Everyone exits their business one way or another, whether it's through a sale to a strategic buyer, to your employees, a transition to the next generation etc.

The market opportunity is clear, but why is it that a business owner makes such a great client?

**Let's look at some of the complexities and concerns facing a business owner:**

- Succession plan
- Buy-sell agreement & funding
- Key person planning
- 401k plan for the employees
- Benefits
- Risk management
- Retirement planning
- Capital structure
- Personal financial plan for the owners
- Personal financial planning for the employees
- Payroll
- Tax management
- Estate/legacy plan for the owner & the business



While that list is long, to simplify it, just remember this one key fact: 98% of business owners don't know what their business is worth, yet 78% are banking on retiring on the proceeds of sale! That problem alone can be solved by you as an advisor.

We believe business owners are best served when an advisor can engage with a client to help them understand what their business is worth because almost every decision they make impacts the business value and their financial life.

## How We Can Help

- BizEquity provides the technology and support to help an advisor:
- Define their ideal business owner target based on their firm's operating style
- Prospect more effectively using the prospect engagement tool which has pre-valued over 30MM businesses in the U.S.
- Market their services to business owners with off the shelf white-labeled marketing content and presentation materials.
- Engage a business owner and value their business in less than 20 minutes
- Automatically benchmark the value and operational metrics of the business against their peers
- Not working with business owners today? You should. We make it easy. Let us help.

*\*Citations 1.Tiburon Advisors 2.SBA 3.CNBC 4.LIMRA 5.IBIS world study 6.Tiburon advisors*

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