

# WALKING TO DESTINY

11 Actions an Owner **MUST**  
Take to Rapidly Grow Value  
& Unlock Wealth

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# CHAPTER TWO

## The Baby Boomer Business Owner

Baby Boomers have dominated our social and economic value systems since they burst onto the scene in 1946. The sheer size of this generation is enormous: nearly 80 million people. Odds are, you are a Baby Boomer. I definitely am. Regardless, Boomers are our largest and, in many ways, most influential population. How would you define the unique characteristics of the Baby Boomer generation and why is this relevant to the current business market?

**Exhibit C: WMFC Generational Differences Chart Excerpt**

	Traditionalists	Baby Boomers	Generation X	Millennials
Birth Years	1900–1945	1946–1964	1965–1980	1981–2000
Gen Nicknames	Moral Authority	“Me” Generation	Gen X	Gen Y; Echo Boomers
Key Attribute	Committed to Company	Ability to Handle Crisis	Work/Life Balance	Ambitious but Not Focused
Work Ethic	Pay Your Dues	60-Hour Work Week	Work Smarter, Not Harder	What’s Next?
Views on Money	Pay Cash	Buy Now, Pay Later	Save, Save, Save	Earn to Spend
Core Value	Family/Community	Success	Time	Individuality

For one, Boomers grew up as a crisis generation, witnessing the impacts of the Civil Rights movement, the Vietnam War, the sexual revolution, the Cold War, and space travel. We lived through the building of America in the Fifties, including roads, interstates, bridges, and the move from cities to suburbs. Meanwhile, our Traditionalist parents, the “forgotten” generation who experienced hard times as children and prosperity later in life, preached “the

American Dream” and instilled the spirit of reinvention and optimism into their bright-eyed, post-war children. Boomer children were special (and we were made to feel so) with a deep-seated ambition and a strong sense of work ethic. And apparently, this upbringing was the perfect formula for grooming 80 million kids to become real-world entrepreneurs. To this day, I’m not sure that my dad knew what he was doing when he ingrained these values into me and my siblings. It’s likely he simply wanted to empower us to work hard and take risks since he watched his folks struggle through the Great Depression, but what an incredible parenting business model. We, Baby Boomers, entered adulthood hungry, and in turn, propelled our market forward with a laser focus on the ultimate goal: *success*.

In contrast to Traditionalists who viewed it as a “dream” and Generation X who considered it as a way to get “there,” Boomers considered education a birthright. As a result, we are well-educated, many having graduated from university with advanced degrees. However, there were more “qualified” candidates and not enough jobs for all of us as our group started to graduate—so naturally, those without traditional employment found other solutions using their knowledge and natural skills. They started businesses. Boomers are, after all, the most entrepreneurial generation in

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*Blues for Yesterday*

*Charlie Musselwhite*

*Rollin' down the highway*

*Rollin' into the settin' sun*

*It's a long long road*

*And I've had a good run*

*I got the blues for yesterday*

*Times was tough but we had fun*

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history (although I do think the Millennials will eventually outdo us here). So with that idealism and competence in hand, one out of every three Boomers created a business. Even today, Baby Boomers are twice as likely to launch a new business as Millennials (Kaufmann Foundation, State of Entrepreneurship Study, 2015). That's high, though not a surprising statistic, as we are risk-takers by nature, and are not afraid to continually reinvent ourselves.

I am a Baby Boomer and have reinvented myself several times, as I am sure you have too. I started my career as an auditor, then moved into supply chain logistics, then into information technology, and so on. The only constant in the first 24 years of my career was working for someone else, endorsing the back of the paycheck instead of signing the front. Now I have successfully transitioned from key man to small business owner and exit planner, which has been an incredibly fulfilling reinvention. As I'm sure it has for the 80 million others like me.

The Baby Boomer lives for now, and that applies to our views on money, which are very different from those of our parents. My father, who fought in World War II and grew up during the Great Depression, has established wealth and success, and yet he is still very conservative when it comes to spending. He drives a modest American car. He lives in the same standard suburban house he built in 1958. He can afford many luxuries in life, but he's a Traditionalist; that's not how he grew up. He mitigates risk, plays it safe, has modest expectations, and achieves satisfactory results.

Boomers spend. We want to live in nice houses, usually much bigger than our parents ever thought necessary. We drive the nicest car we can afford. We are not afraid to take on and live with debt. Though many Boomers have underfunded retirement, we take nice vacations. We embody and believe in the American Dream and when we want something or we want more, we find a way to get it. Even something as simple as televisions. Boomers have more than one TV. I have five. My dad has two. And because we overwhelmed society in business and sheer volume, our

economic structure adapted to accommodate the Boomers' "Buy Now, Pay Later" mentality and behaviors.

## REINVENTING THE RULES EVERY TEN YEARS

Demographers have likened the Boomer social effect to a pig moving through a python. At each stage of life, Baby Boomers' needs and desires have dominated business and culture. In the Fifties, birth rates drove the need for hospitals, diapers, baby food, homes, schools, teachers, textbooks, and toys including the Hula Hoop, Slinkys, and Frisbees. Remember those? Kids' television programming became a thing and shows like *The Mouseketeers*, *The Little Rascals*, and *Captain Kangaroo*, popped up on our television screens.

The Sixties drove the need for high schools and colleges. Between 1950 and 1975, the high school population doubled. And these "kids" were mobile with some spending power. They needed cars to get around. They went to movies, purchased soft drinks, and bought records by the Beatles and rock-and-roll artists. There was an unprecedented amount of money spent on cosmetics and toiletries. Now throw cheeseburgers in the mix; fast food franchises grew at a rate of 20% a year as we ate at McDonald's and other fast food establishments. And as we grew and found some success, we questioned the establishment. Boomers were rebellious and challenged the norm, starting with our conservative parents, which drove social unrest and resulted in change.

The Seventies saw Boomers move through college and navigate young adulthood concerns about lifestyle, personal identity, and self-esteem, and during that edification, the purpose of work became more important. A career was not "just a job" or an obligation; it was an adventure. Personal growth itself became an industry.

In the 1980s and 1990s, we shifted focus to careers and supporting

our families, and so, boom! The home industry flourished. And in the midst of this era, the home experience was about to undergo the next major innovation. Boomers changed the world through the introduction of computers, mobile phones, and the Internet. Publications such as the *Wall Street Journal*, *Forbes*, and *GQ* had record growth. Another notable area of growth was the divorce rate. Boomers recorded the highest divorce rates and second marriages in history, bringing a new layer to the socioeconomic outlook and needs of the market. Daycare centers became important as Baby Boomer women entered the workforce with vigor and equal opportunities became a core value. The Boomers turned from hippies to yuppies and embraced their inner consumer, driving the Nineties to be one of the best decades ever financially.

In the early 2000s, we faced the dot-com crash, the housing bubble, 9/11, and financial crises. Consequently, we moved into the political arena. Today, Boomers are driving health care reform, long-term care, retirement planning, retirement housing, and social and national security reforms. True to their youthful spirit, willingness to challenge norms, and predisposition for reinvention, aging Baby Boomers are reshaping and redefining what retirement means.

So what's next for the Boomers and, accordingly, society? We will undoubtedly reshape and redefine every social and economic factor as we navigate our next 10 years. And like you and me, Baby Boomers who own businesses, who account for two-thirds of the privately held businesses in the market, are sitting on enormous (albeit trapped) wealth that we spent a lifetime building. What we do in the next decade to unlock that value and harvest that wealth will be the next, and potentially most keenly felt, transition in our lives and in the social and economic history of our country.

## LONELY AT THE TOP: UNDERSTANDING THE MIND OF THE OWNER

Even with all of the generational information and statistics available today, business owners are misunderstood. And it's lonely at the top. You recognize it, and many who work with you see you as a uniquely different breed that can be very difficult to understand and navigate. You are a fighter and are used to (and comfortable with) going it alone if you have to. You want to surround yourself with others who can contribute to success and you build a team of talented people, but in the end, you are the one with skin in the game. You have to make the hard choices. You make the sacrifices. You live with the rewards and consequences of trusting others to care like you do. But you don't get to clock out and leave work at work. You built it, you feel it, you live it: *you are an entrepreneur*. That's what you do.

But looking forward to the future, it is abundantly clear that you need to instill that "owner-thinking" into the next generation of management in order to see your business into its next stage. It's a bad bet to go it alone or allow another year to go by with you as a critical, irreplaceable piece of the operations puzzle. You need successors that you have confidence in, a management team that feels the impact of their leadership, and an alignment with your vision for your family's future. Obviously, this is not a simple task.

Most business owners have a blend of left-brain and right-brain thinking, what Warren Bennis calls "whole brain" thinking. Left-brain thinking is logical, analytical, technical, controlled, conservative, and administrative. Right-brain thinking is more intuitive, conceptual, synthesizing, and artistic.

Entrepreneurs have more right-brain tendencies. Business owners are entrepreneurs who are creative, innovative, expressive, passionate risk-takers. However, as you've likely experienced throughout your career, the

larger workplace employee mix tends to be the left-brain thinkers. This can make it challenging to stumble across the right people for your strategic or management team. I loved how Bennis put it in his book, *Managing the Dream*:

*“One of the reasons so few corporate executives have successfully made the leap from capable manager to successful leader is that the corporate culture, along with society as a whole, recognizes and rewards left-brain accomplishments and tends to discount right-brain achievement.”*

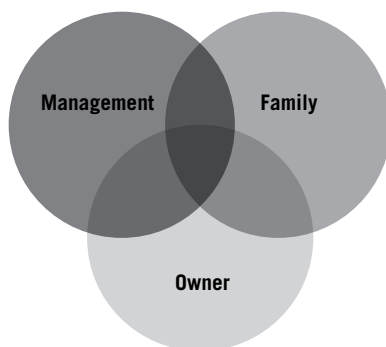
Most employees do tend to be more left-brain focused, looking for and following instructions rather than challenging the norm, taking chances, and being creative. Having been on both sides of this equation, first as an employee with the mind of an entrepreneur and later a business owner with the perspective of the staff, I appreciate the differences. Many employees, even incredible ones, have a hard time understanding the person they work for and follow.

One key difference is that the entrepreneurial business owner wears a different lens than the standard left-brain employee. For example, you could pull in your team to look over a list of action items written across a whiteboard, outlining a huge project or key initiative for your business. What do you see? Opportunity. What do they see? Tasks. That’s not to say that your team can’t crank through some tasks to amazing results. With your



leadership and vision, they absolutely can. But what will happen when you choose to leave your business, explore the next act of your life, and empower your taskmasters to fill your shoes? Unfortunately, the vision leaves with you. The real accomplishment would be to challenge those like you, who exist in the whole brain space, to look at that same list and consider what they are building versus what they are doing. Just like you.

Being an owner is a tough job. A business owner has three roles: Management, Family, and Owner/Investor. First, as manager, you are clearly responsible for managing the business, and are often the best employee in the business. Second, and regardless of whether family is in the business, the business itself is the lifeblood for the family. When you get to third and fourth generation businesses, family ownership interests are typically vast. Some of the family actually work in the business, with relationships involving brothers and sisters, fathers and mothers, sons and daughters, aunts and uncles. Often, even those who don't work in the family business think they should have a say in how it is operated. Third, the owner is an investor expecting, and *requiring*, a return on investment.



Every day, you are faced with decisions affecting all these constituents and roles, which are often in conflict. You always juggle what might be right for the business versus what may be best for the family.

Several years ago, I met a friend for lunch at the Union Club in Cleveland. I could tell when he sat down there was something troubling him.

So I asked him, “Hey, what’s up?”

“Well, right after this lunch, I have to go back to the office and fire the president of my company.”

And that’s never a good day.

I listened to him and tried to offer some comfort and perspective, but it was really bothering him. We finished up our lunch and went on our separate ways, but his level of concern was troubling to me. So I called him up the next day to see how he was doing after the termination.

He told me that after our lunch, he returned to work and called the HR director and president to his office. He explained to the president that things were not working out. The president was missing his numbers and had lost the confidence of the staff. A change needed to be made. He told the president he was letting him go.

“How did he take it?” I asked.

“Honestly, not well.”

He recounted how he had told the president to return to his office to clean out his stuff and leave that afternoon. A few hours later, my friend stepped into the excused president’s office to see how the progress was coming and how he was doing. He walked in to see this man, the now former president, sitting in the chair across from his desk with his back to the door, head down and shoulders slumped over in disappointment. He went slowly up to the defeated ex-employee, put his hands on his shoulders, and said,

“Son, it’s going to be okay. Your mom and I are here for you. We’ll help you get through this.”

That day, he had fired more than a non-performing president. He had fired his son.

Looking at my friend’s story, the role of the owner can be painful, especially when family is involved. It was hard, but as the manager and investor in the business, he knew he had to do it. That didn’t compensate for the anguish he felt, but he knew in the long run, this was the best thing for the business, his son, and the family—even if he was the only person who could see that. He knew his son would get back on his feet, but it wouldn’t be at the family business.

## STAKEHOLDERS IN YOUR SUCCESS

| *“...the business owner is, in fact, the giver of life.”*

| —Leon Danco

Many depend on your ability to transition successfully. Employees who work for your company are one obvious group that needs continuity, but look past that. Look at who you are in your community.

Communities and charities that depend on your contributions, suppliers, and customers—all impacted. Privately held and family-owned businesses are the primary supporters of philanthropy through gifts of time and money. You likely support private schools, colleges, and the communities in which you live and operate. You, as the business owner, are at the very heart of the community. If the business goes, the community will suffer—maybe not even survive.

Further, many small business owners represent distribution of goods and services throughout the entire country. Many large manufacturers distribute their products through dealers and distributors, which are often small family-owned businesses. What happens if 70 to 80% of them perish?

Not long ago, Peter Christman introduced me to a CEO of one of these manufacturers. I asked him what he was doing, if anything, to ensure that the distributors in his network were going to be able to transition their businesses.

Shrug. “Not really anything.”

He said they were aware that it could be an issue, but hadn’t given it a ton of thought or put any programs together to address it.

“How many distributors do you have?” I asked.

“About 200,” said the CEO.

“Okay. How many of the owners of these distributors are Baby Boomers?”

“Oh, well, I’m not really sure. Probably 60 or 70%, maybe even more. But I do know that many of our distributors have been around a long time.”

“Did you know that Baby Boomers own about two-thirds of all privately held businesses? And if your distributors fall in line with the national averages, that means that roughly 120 of your distributors are Baby Boomers.”

“Yeah. That sounds about right,” said the CEO.

“Did you know in a recent survey conducted by the Exit Planning Institute, 76% of the owners surveyed, most of whom were Baby Boomers, indicated they would like to transition in the next 10 years? And are you aware that success rates on both inside and outside transitions are only about 20 to 30%?”

“No.” I started to see his discomfort as he ran the numbers in his head.

“Yes, well those are the stats. And if we apply those stats to your distributors, that means that 75% of your Boomer distributors are likely to transition in the next 10 years—that’s almost 50% of your distribution network, right?”

“Yes.”

“With success rates of only 20 to 30%, about 20 to 40 of your distributors will be successful. The rest, somewhere between 80 and 100 of them, will fail to exit and remain operable so they’ll shut down.”

Silence. He now looked worried.

I looked him straight in the eye and asked, “What impact do you think losing 30 to 40% of your dealer network in the next 10 years will have on your business?”

“It would be devastating, frankly.”

“Well, what are you doing about it?”

Now looking *me* straight in the eye, he replied, “What did you have in mind?”

Soon after that meeting, I spoke at the company's national conference to begin creating awareness and implementing the educational process. Then Peter and I went on to put together a multi-day exit planning and value acceleration workshop, sponsored and held at the manufacturer's headquarters. After the keynote, the CEO got up and announced the workshop date and described its purpose. “Your spouses and children are welcomed and encouraged to attend with you,” the CEO suggested. Rather than wait and gamble on the tidal wave of exits, this CEO realized his professional ecosystem needed him to take a leadership role and get these processes underway on behalf of his distributors.

*“When the distributor ceases to do business in this market area, the companies he represents are also out of business in that community.” —Leon Danco*

This situation is common all over our great country. Small businesses, dealers, and distributors, are vital suppliers of goods and services throughout our supply chains. Big corporations' supply side is also affected. Many middle market, privately held businesses are suppliers to

these big corporations.

If you are a corporate CEO or director of purchasing, ask yourself: what am I doing to ensure the continuity of my supplier base, many of whom are privately held businesses unprepared and unlikely to transition successfully?

## PUBLIC SPEAKING

*Walking to Destiny* provides a roadmap and concepts which, when adopted, can increase readiness and attractiveness as business owners approach their exit. Chris Snider delivers keynote speeches, trainings, and workshops surrounding the topics of Master Planning and the Three Legs of the Stool, the Four C's, the Five Stages of Value Maturity, and Relentless Execution. This education is for:

- Top-tier professional advisors and consultants dedicated to helping their clients successfully grow and exit their businesses
- Legal, asset management, and accounting firms committed to successful wealth transfers
- Business owners looking to educate their executives and staff on how to grow value in the business and think like owners
- Community leaders wanting to educate their local business owner market on how to successfully transition their businesses
- Industry associations dedicated to preparing their members for succession
- Financial/professional associations looking to educate their members on how to perform exit planning services
- Entrepreneurs wanting to use exit strategy as a business strategy and stage their company for rapid growth and high market value

For speaking fees and availability, please contact Brooke Norman at (216) 712-4244 or [BNorman@Exit-Planning-Institute.org](mailto:BNorman@Exit-Planning-Institute.org).

Chris Snider is a frequent speaker in Chicago, Cleveland, New York City, San Francisco, San Diego, Las Vegas, Phoenix, Dallas, South Florida, St. Louis, Milwaukee, Atlanta, Los Angeles, and New Orleans. Discounts on travel are available for back-to-back bookings.



## VOICE OF THE INDUSTRY

Christopher M. Snider, CEPA, CEO and president of the Exit Planning Institute, creator of the Value Acceleration Methodology™, and managing partner of Snider Premier Growth, is recognized as a thought leader and trendsetter in the field of value acceleration and exit planning. With a message that resonates with entrepreneurs across the country, Chris is a



sought-after speaker for many major companies and trade industries, and the associated organizations that are dedicated to serving the transition and growth needs of business owners.

He built his career as a key value growth integrator for major companies, including The Sherwin Williams Company, FedEx Logistics, Nike, Dell, and Textron. Finding passion in

changing middle market business owners' lives through rapid growth projects, Chris emerged a game-changer, noting a milestone project with a family-owned private company that he helped grow from \$90 million to over \$240 million in three years and successfully selling to a multi-national strategic buyer. Now with a wealth of experience and a proven value acceleration system, Chris has established a family investment company with his son, with ownership stakes in eight lower middle market businesses.

## FOR BUSINESS OWNERS. BY A BUSINESS OWNER.

*Walking to Destiny* is not only your essential resource to understand what makes your business attractive and ready for transition; it is a business owner's handbook to learn how to rapidly grow value and ultimately unlock the personal wealth trapped in your most significant financial asset: *your business*.

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