

NORTH TEXAS

2018

A QUICK-LOOK AT THE LOCAL MARKET STUDY:

# The State of Owner Readiness

BENCHMARKING LOWER MIDDLE MARKET BUSINESSES  
AND EDUCATING OWNERS ON THE DIFFERENCES OF  
"ATTRACTIVENESS" VERSUS "READINESS"



Exit  
Planning  
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# UNDERSTANDING THE NORTH TEXAS STATE OF OWNER READINESS



## Nearly 50% of owners in North Texas are boomers.

Which comes close to the US Census data at 63% boomer-ownership for privately-held companies. Note: **38% were over the age of 53 but under 71**, which means that successful conversion of the business wealth is *(or should be)* top of mind for most owners.

## NORTH TEXAS BUSINESS SIZE? **ABOVE AVERAGE.**

### 51% of Surveyed Owners indicated sales of \$5 million or more.

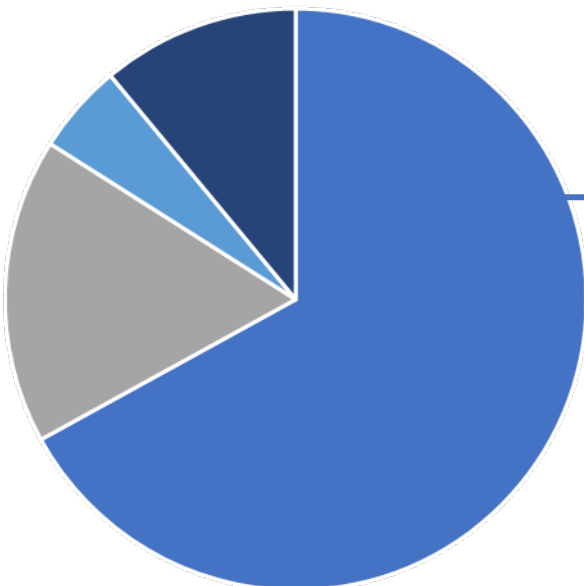
The North Texas sample represents a strong middle market focus that represents a much greater share of businesses over \$5 million in sales than that found in the national US Census research data for American privately-held companies.

#### North Texas Surveyed Revenue Data:

48% Annual sales of less than \$5 million.  
44% Sales in the range of \$5 million–\$100 million.  
8% Sales of \$100 million or more.

#### National US Census Data:

94% Annual sales of less than \$5 million.  
5.8% Sales in the range of \$5 million–\$100 million.  
0.2% Sales of \$100 million or more.



### When it comes to business ownership, family matters...

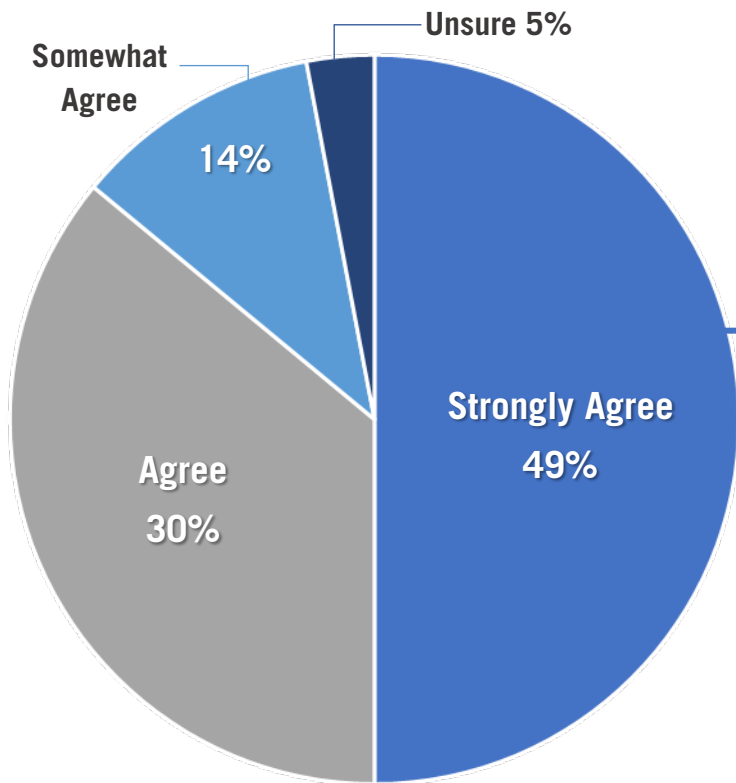
**...at least 90% of the time.**

Surveyed owners reported the following data when asked about the amount of family ownership that exists in their business:

- 71%: Family Owned (100%)
- 13%: Family/Outside Ownership, Family Controlled
- 6%: Family/Outside Ownership, Outside Controlled
- 8%: Outside Ownership (100%)
- 2% Public Company

93% OF OWNERS AGREED WITH THIS STATEMENT:

**“Having a transition strategy is important to my future and the future of my business”**



**CONFIDENCE IS CONTAGIOUS.  
SO IS LACK OF CONFIDENCE.**

Vince Lombardi said it: Lack of confidence is a contagious force. And according to the survey results from North Texas, **75% of business owners are less than confident that they are 'ready' to transition their business.**

That is a staggering statistic. The time is now. Get 'exit' educated and change your outcome

## AND YET...

The very same surveyed North Texans reported the following data which proved contrary to the statement that readiness was important:

**67% OF OWNERS HAVE NO WRITTEN TRANSITION PLAN**

**30% HAVE DONE NO PLANNING AT ALL**

**84% HAVE NO WRITTEN PERSONAL THIRD ACT PLAN**

Unfortunately, most owners didn't know how much is needed to fund retirement and post-business life plans, plus...

**70% ARE UNFAMILIAR WITH THEIR TRANSITION OPTIONS**

**80% HAVE NOT ENGAGED WITH OR FORMED A FORMAL TRANSITION TEAM**

**71% OF NORTH TEXAS OWNERS INTEND TO TRANSITION IN THE NEXT ONE TO TEN YEARS.**

THANK YOU TO OUR LOCAL PARTNERS



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