

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
Institute™

UNDERSTANDING THE WISCONSIN STATE OF OWNER READINESS



Nearly 65% of surveyed businesses in Wisconsin are owned by Boomers.

Which comes close to the US Census data at 63% boomer-ownership for privately-held companies. Note: **60% 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.

WISCONSIN BUSINESS SIZE? **ABOVE AVERAGE.**

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

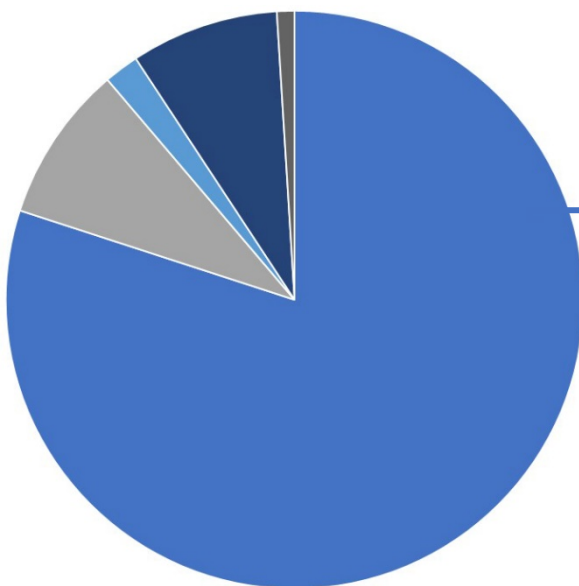
The Wisconsin sample represents a strong middle market focus with a much greater share of businesses over \$5 million in sales than found in the national US Census research data for American privately-held companies.

Wisconsin Surveyed Revenue Data:

49% Annual sales of less than \$5 million.
44% Sales in the range of \$5 million–\$100 million.
7% 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...

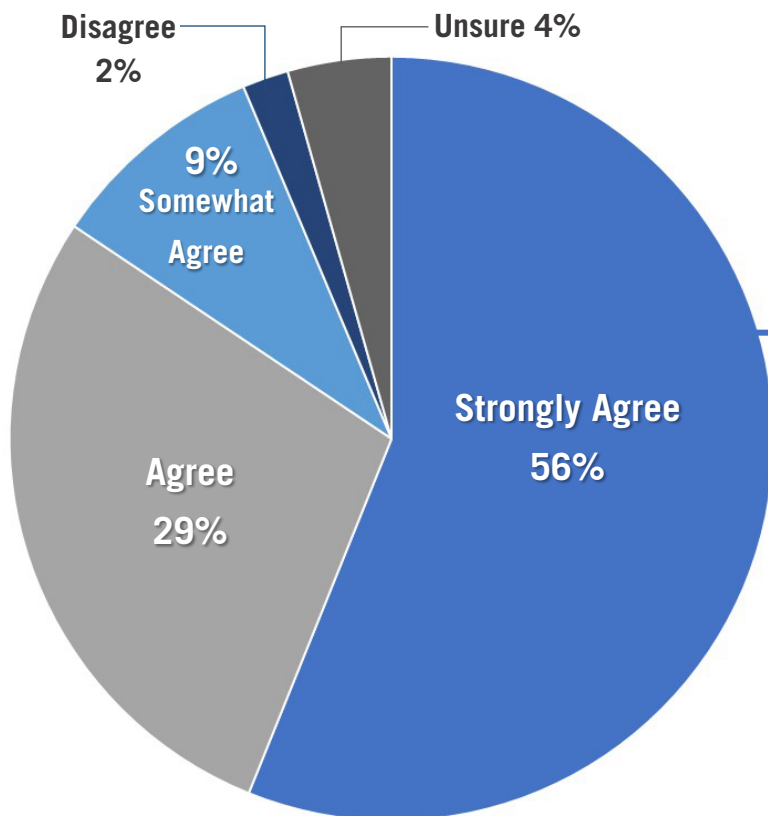
...at least 91% of the time.

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

- 80%: Family Owned (100%)
- 9%: Family/Outside Ownership, Family Controlled
- 2%: Family/Outside Ownership, Outside Controlled
- 8%: Outside Ownership (100%)
- 1%: Public Company (not privately owned)

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 Wisconsin, **54% of owners aren't confident that they are 'ready' to transition their business and do something else.**

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

AND YET...

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

**80% HAVE NO WRITTEN
COMPANY TRANSITION PLAN**

**43% HAVE DONE NO
PLANNING AT ALL**

**94% 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...

**60% ARE UNFAMILAR WITH
THEIR TRANSITION OPTIONS**

**83% HAVE NOT ENGAGED WITH OR
FORMED A FORMAL TRANSITION TEAM**

**72% OF WISCONSIN OWNERS INTEND TO
TRANSITION IN THE NEXT ONE TO TEN YEARS.**

THANK YOU TO OUR LOCAL PARTNERS



For more research or information, visit www.OwnerReadiness.com.