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Your Business Matters

December 2021

The Proper Way to Plan Your Exit

December has finally arrived, and with it comes the end of 2021. Normally, when we reach the end of the year, many people are planning or focusing on their goals. For me, I'm often asked about a particular goal that clients have: "What do I do with my business when I'm ready to retire?"

Most millionaires create their wealth through business ownership, and businesses pay their owners in a couple different ways. They get paid through their salary and through capital appreciation, which essentially means that the value of the business is growing as the business itself grows. In order to get desirable capital appreciation, you have to exit the business properly.

There are three different ways that you can properly leave your business. The first is through liquidation, which is selling everything and paying off any remaining debts. This is the least desirable option because you often walk away with less money than desired. The other two options are selling to an insider at your company or to an outsider. There are a couple issues with selling the business, though.

It's important that business owners looking to retire realize that this is not an overnight process. It takes proper planning and adequate time to maximize the benefit of the sale of the business. This usually takes anywhere from 3–5 years. You also need to realize that this is a once-in-a-lifetime event. In most cases, you won't know what to expect, and a false sense of competence can really burn you during the process.

Many business owners wait too long before they consider selling the business. They attempt to milk it for all it's worth, then try to sell once something has happened that caused the business to decline. If you try to sell the business on its way down, you will lose a lot of money.

When you first start looking to sell your business, there are two things that you need to think about on a personal level and from a business standpoint. You need to look at your personal finances and decide if retirement is an option for you and when you could realistically sell. The other side is

Evaluating the Business and Any Risks

evaluating your business and the risk. If you realize the issues and risks with your company, you can work to get them fixed before selling to make a better deal.

In order to fix risks, you will need to keep excellent financial records. We were working with a buyer one time that was interested in purchasing a business. The seller provided their P&L statements from the past few years, and they were an absolute mess. We ended up going to the accountant for this business and getting the tax returns. The tax returns made the buyer feel at ease and confident. We thought the deal was going to fall through, but because the CPA had kept excellent financial records, the sale was successful.

Exit planning is also important in case of an unexpected tragedy. It's always a difficult situation when a spouse has to step in and make business decisions when they have not been involved prior. We worked with a woman who recently found herself in this situation and just wanted to sell to a competitor down the block. The competitor knew the situation and made a low-ball offer. When she contacted us, we could tell that she would get more from liquidation than this competitor's offer. We took this information to the competitor and were able to sweeten the deal and get this woman what she deserved.

Creating an exit plan can be extremely complicated. There are twists and turns that are hard to predict unless you already have experience navigating the situation. If you need any assistance, we would love to help or put you in touch with someone who can help.

–Ed Alexander

Engage More Customers in 2022

How This Bookstore Became a Hub for Its Community

In the age of Amazon, investing in a brick-and-mortar bookstore might seem ludicrous. But that's exactly what Christin Evans and her husband Praveen Madan did in 2007, and since then, they have turned two historic San Francisco bookstores into community pillars and social movements.

Their not-so-little print-based business is faring much better than one would expect in this digital world, and their secret is right in their community.

How Did They Do It?

The couple purchased The Booksmith in 2007, and Christin left a corporate job to oversee the daily operations of the store. From the very beginning, she knew they had to engage with their customers and encourage them *to actually visit* The Booksmith. As a result, the couple was able to purchase another bookseller, Kepler's Books & Magazines.

1. **They started with the space.** Christin knew her store had something that big booksellers or online retailers didn't have: a community. The Booksmith and Kepler's could tailor their customer experience to what locals wanted and turn their bookstores into miniature community centers. It helped the community view their stores as essential rather than just available.

2. **Then, they hosted events.** There is something for everyone at the store. Those who love happy hour but want to read can enjoy Silent Reads, where participants simply come to the store, read, and enjoy cocktails. Other events include mom groups, music nights, and — of course — book clubs. The community always has a reason to visit The Booksmith and Kepler's because it invites them to stay engaged.

3. **Finally, they got involved.** If you're going to talk the talk, then you have to walk the walk! Customer engagement should also include what you can do for your community — not just what your community can do for you. So, Christin and Praveen founded Kepler's Literacy Foundation, which is focused on creating and promoting literacy programs, and bought GiftLit, a subscription-based book gifting company. By doing both of these things, Christin and Praveen are encouraging readership, engagement, and local advocacy. They are essentially generating customers (and doing some good, too)!

Now, It's Your Turn!

You may not be battling Amazon or promoting literacy, but you can use the ideas that made The Booksmith and Kepler's essential to their communities and transform the way you engage your customers.

For instance, a dentist can host a workshop for young parents who are concerned about how to teach their children best oral health practices and also create a curriculum for classrooms across the region to promote oral wellness. In doing so, they create an active community around their business as more than just a dental office — they become more essential to the next generation of oral health.

Don't wait for customers to engage with you in 2022. Collaborate with your team and go to the customers instead.

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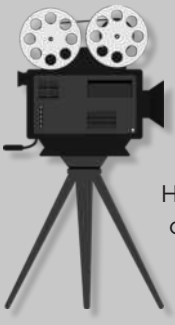
HAVE A *Laugh*

The Little-Known Story of the Hays Code

If you've seen the classic movie "Casablanca," you might be surprised to learn the original version was more risqué that what was shown on theater screens. The night Rick and Ilsa shared in Paris was more, ahem, explicitly passionate, but those lines were dropped on the cutting room floor.

And it wasn't because of artistic choice. There was an industry standard of the time called the Hays Code (or officially, the Motion Picture Production Code). This now-forgotten list of rules predated today's movie rating system and governed Hollywood from 1934 to 1968. It was intended to clean up the violent, drug-filled movie business much like Prohibition — which preceded it — had been designed to clean up a drunken America.



You've likely watched many movies and TV shows filmed under the restrictions of the Hays Code. For example, Mental Floss reports the code is the reason "I Love Lucy" never showed Lucy and Ricky sharing a bed or used the word "pregnant," even when Lucy was expecting!

Think Better With Adam Grant's 'Think Again'

A Better Mindset for Growth

Think about the sting you feel when you are proven wrong. It hurts, doesn't it?

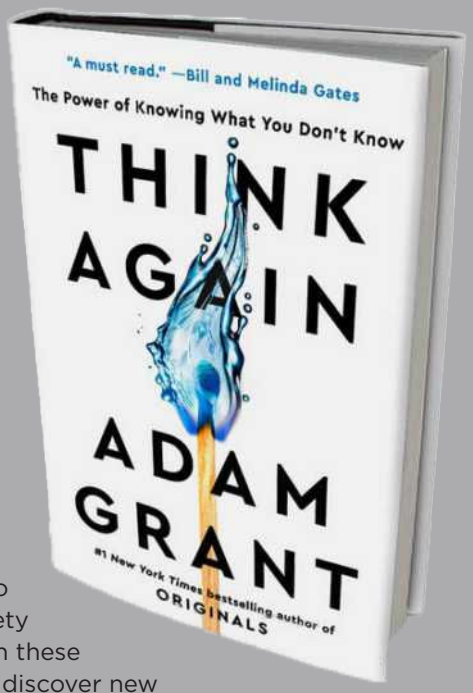
But what if it didn't have to? Better yet, what if it shouldn't?

Regardless of our attempts at humility, humans' egos have inflated, and we are all conditioned to believe that being wrong somehow equates to being a bad person. However, renowned author and psychologist Adam Grant challenges this notion in his New York Times bestseller, "Think Again: The Power of Knowing What You Don't Know."

With today's divisive climate, Grant argues that we hold our beliefs up like a badge, illuminating them so brightly that we become blind to other truths or realities. Far too often, our mindsets focus on what is black and white, rather than understanding the gray nuances found in between.

In "Think Again," Grant's third book, he argues that as rapidly as we get information in today's digital world, we cannot be expected to fully know all of it. Being wrong is part of human nature, but as we gain more accessibility to information, we must be willing to do two things: rethink and unlearn.

Grant challenges readers to stand in the discomfort of being wrong, celebrate that there is something new to learn, and challenge themselves to interact with those who propose a new way of thinking. By doing so, Grant asserts that we can speak and argue with conviction while actually engaging and listening to arguments as if we are wrong. This allows us to learn, engage, and grow.



In "Think Again," Grant asks readers to consider better ways to approach their steadfast beliefs. Readers will find amusement in Grant's real-world examples of turning skeptics into believers within a variety of topics. And, through these examples, readers will discover new ways to listen so they can gain a greater understanding of the world around them.

You can pick up your copy of "Think Again" and other books by Grant from an independent book retailer or by visiting Amazon.com.

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See Sales Grow

With 4 Lead Nurture Must-Do's in 2022!

People want to do business with people they trust, and you can't form a strong relationship after just one interaction. It takes time to build a connection with potential and current clients, and the more you put into these relationships, the more you will get out of them. When lead nurture is one of your top sales priorities, you land better sales, generate more customers, and create lasting partnerships that spawn referrals and more money spent.

If you're ready to get started, don't forget these four tips.

Automate: There's no reason lead generation has to require extra work, even if it should be a top priority. Set up weekly or monthly email messages, newsletters, postcards, celebration cards, and coupons that directly put your information in your potential consumers' hands. This constant drip ensures you are always communicating with your leads without much effort.

Be Consistent: Far too many businesses give up after three or four lead generation tactics because they "haven't seen a response." Nurture takes time! You wouldn't expect a newborn to walk — why are you expecting your prospects to invest after such a short time? Commit to the long game, and you will gain the right customers who are excited to work with you!

Use Multiple Techniques: In today's digital age, you may believe email is the best way to put your message at the forefront of your prospects' minds, but that's the wrong approach. Your prospects get hundreds of emails every day — what's going to make yours so special? (It probably won't be.) You also have to target them with direct mail, phone calls, and freebies. Hit them on multiple levels, allowing your business to stand out from the crowd.

Track: Once you make a sale, ask the customer what motivated them to buy from you. How did they hear about you? What platforms did they enjoy? This information can help you track what's working and what isn't, allowing you to invest properly in your lead generation campaign. Furthermore, track open rates, responses, and phone calls after you release a lead nurture message. This data is invaluable.

Lead nurturing should be a big component of your business in 2022. We promise the effort will pay off!

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