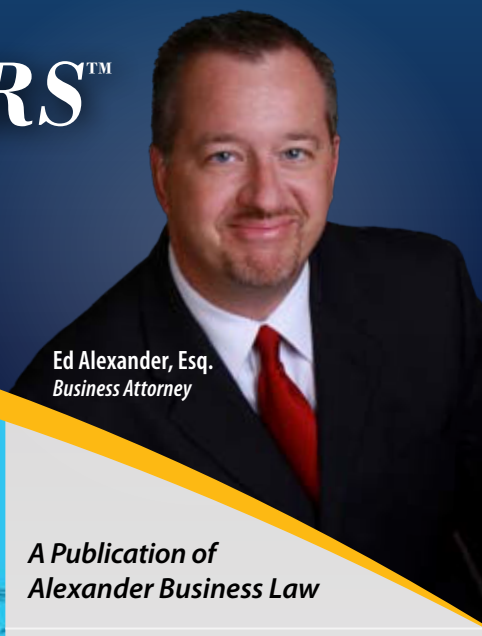
YOUR BUSINESS *MATTERS*™

Enjoy Your Business and Your Life



Ed Alexander, Esq.
Business Attorney

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TIME: Your Friend *or* Your Enemy?

By Ed Alexander

By all measures, Bill had a successful estate planning practice. After having practiced more than 45 years, he had taken every vacation imaginable, had a second home in the mountains, and worked part-time while earning great money. The practice had thousands of files, many of whom were second and third generation clients.

Coming up on his 75th birthday, Bill decided it was time to stop working and sell his practice to his non-equity partner, Ken, the natural successor. Assuming it was just a matter of paperwork, Bill moved forward with his retirement arrangements: selling his house and getting everything in place for his full retirement.

He called us in October hoping to complete the transfer and officially retire by December 31.

When Bill and I discussed the transfer with Ken, he pushed back. Though the practice was quite robust and valuable, Ken felt like there was very little value and that he was doing Bill a favor by buying it.

Normally, when we encounter this type of response, the best course of action is to pursue an alternative –sale to an outsider or merge with another small firm. Multiple options are key to getting the best price and terms. You must find other firms or lawyers interested in your practice, suggest price and terms as a starting point, and negotiate. Alternatives take time to find and develop.

Unfortunately, Bill made a classic mistake – time was his enemy. He hadn't given himself enough time to find and develop outside alternatives. So, we were left to deal with Ken.

With only one option for a buyer, Bill wasn't able to realize the true value of his practice.

Bill's mistake is not unusual. Lawyers who believe they can sell their practice almost always underestimate the time and effort required to sell them.

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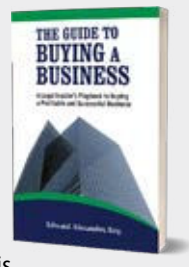
HOW WE CAN HELP

Alexander Business Law helps professional services firms and consultancies scale and exit their practices so they can start enjoying their lives and stop doing work they no longer want to do. Attorney and entrepreneur Ed Alexander has helped thousands of business owners achieve freedom and wealth with profitable, rock-solid exit strategies. If you would like to work with Alexander Business Law to achieve the same results for you, contact us at **(407) 649-7777** or **Kim@AlexanderBusinessLaw.com**.

FREE DOWNLOAD:

The Guide to Buying a Business

A Legal Insider's Playbook to Buying a Profitable and Successful Business



Secrets to the better and less risky path to business ownership-all in one place! This book is your go-to resource to learn why buying a business is your path to success and financial freedom. To get your FREE copy, call **(407) 649-7777** or go to **www.GuidetoBuyingaBiz.com**

LOVE *is in the* AIR

By Faith Alexander



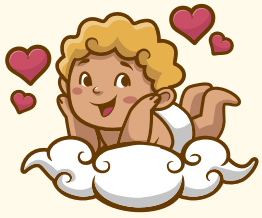
My "very cool" ski hat.

February is the month of love, and it also happens to be the month Ed and I met 40 years ago!!

Even back then we worked at the same company. It was a manufacturer of precision time measurement equipment in New York. There were a lot of young people employed there and Ed definitely caught my eye. One evening after working there for about 2 weeks, I was heading to my car in the company's parking lot when I heard this guy yell, "Nice Hat". Well, I had just returned from a trip to Epcot in Orlando where I bought a "very cool" red and white ski hat. New York is extremely cold in the winter. This hat even had a cool pom-pom on top. What I heard was a compliment. What Ed said was sarcasm. Then he invited me to meet up with a group from the company having drinks at a local bar after work and, of course, I agreed. We hit it off right away. He has been complimenting me with sarcasm ever since. □

Valentine Word Search

Happy Valentine's Day



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TIME: Your Friend or Your Enemy?

Bill could have made time his friend by approaching Ken many years before his retirement date. If Ken offered a low price at that time, Bill could have worked with us to market his firm for outside alternatives. He would have had enough time to transition the practice and clients to the outside buyer.

When faced with the possibility of losing the practice to someone else, Ken might have had a change of heart. Fear of missing out (FOMO) is a big motivator. In that case, we would have locked in the terms at that time and completed the sale when Bill was ready to retire.

Make time your friend. Start your practice exit planning three to five years before you intend to retire.

Call Kim at 407-649-7777 to schedule your Sale Readiness Assessment to learn more about the sale of your firm. □

– Ed

80/20, Focus, and Free Time

By Ed Alexander

As an "outdoor-nature guy," for many years I wanted to do everything that was outdoor oriented whether it was backpacking, hunting, kayaking, boating, sailing, fishing, hiking, mountain biking, road / trail biking, or camping. I enjoyed them all and every free weekend was spent on one of these activities.



Naturally, I needed special equipment and clothes to do all these activities. Whether it was special quick-dry clothing for kayaking, sailing, and backpacking or warm down-filled clothing for hunting, they were all expensive niche products.

One day Faith commented that it had been several months since I'd used some of my expensive outdoor 'toys' (as she calls them). I noticed that, even though I enjoyed all of them, I naturally gravitated to some activities more than others. I was unconsciously expressing a preference.

About 30 years ago, I learned about the 80/20 rule – that 80% of the outputs come from 20% of the inputs.

When I was thinking about all these activities and the investment I'd made in equipment and clothing for them, it occurred to me that this was the perfect example of this rule in action.

I went down the list of activities, looked at those that brought me the greatest joy, and thought about why I liked them the most. I also examined those that I liked but weren't my favorites – the things I did infrequently.

Now, I focus my free time on those activities that bring me the most enjoyment, biking and kayaking, and look for ways to improve those activities. It's made a huge difference in the quality of my free time.

First, I don't have to make decisions about what to do and where to do it, reducing decision fatigue and the likelihood of doing nothing. In the summer, I focus mostly on kayaking and in the fall, winter, and spring, mostly on biking. Second, I sold some equipment (including a camper and a boat), thereby reducing clutter and making room in my garage. Third, rather than spread out purchases among many different activities, I've focused them on improving my kayaks and bikes thereby increasing the enjoyment I get from these activities. Finally, I don't feel guilty watching expensive equipment deteriorate in my garage awaiting use. □

QUOTE OF THE MONTH

"Success is getting what you want. Happiness is wanting what you get."

DALE CARNEGIE

THE ALEXANDER BUSINESS LAW
SCALE to EXIT Program™

Call 407-649-7777 to schedule a call with Ed Alexander

Discover how you can stop doing work you don't like, and start enjoying your business and your life.

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THANK YOU FOR YOUR REFERRALS!

This month, we'd like to thank Charlotte Erdmann and Roberta Getzan for believing we are the right firm to help their friends and business colleagues. Your support gives us the ability to reach more individuals and make a positive difference in their lives. If we can help anyone you know that needs our services, please send them our way!



A Personal Message From Ed Alexander

Happy Valentine's Day! In this issue of *Your Business Matters,* I discuss whether time is your friend or your enemy. Faith relays a funny story from when we first met. I also share my personal reflections on the 80/20 rule, focus, and free time. And finally, we hope you enjoy our Valentine's Day word puzzle.

Your Path to a Successful Business Partnership

The Guide to Partnerships and Partnership Agreements

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Partnerships (multi-owner businesses) can lead to great success and wealth for the partners. But without the proper planning and care, the relationship can implode and cause financial ruin for everyone involved. Your business partnership's potential for success is highest when the partners have identified and documented all of their expectations and examined the critical business arrangements. It's vital that you take the time to protect your new business before you start a new multi-owner business.

Request a free copy of *The Guide to Partnerships and Partnership Agreements* to learn the secrets to building strong business partnerships and the key role partnership agreements play in the success of a multi-owner business.

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