

A conversation with: **Jan Graybill, CEO & Senior Partner of Legacy Planning Partners**

■ Stacy Wescoe



Jan Graybill

LVB: A few years ago you predicted a “silver tsunami” of baby boomers retiring and looking to sell their business. Is that happening?

Graybill: In regards to small to mid-size privately held companies, COVID has certainly pushed back many owners’ plans to exit. But it has also distracted and delayed time that could have been spent planning for an exit. We are experiencing baby boomers who are age 65+ now wanting to exit with little to no time left for preparing to exit. The runway to exit is getting shorter and shorter for the baby boomers. Procrastination continues to be the word of the day for most of

the baby boom generation who own small businesses. The wheels of time grind slowly but inevitably. An exit strategy is just good business strategy. For those who have 3-5 years to plan for their exit they may be able to pull it off. The tsunami is coming, It has just been delayed!

LVB: How has the pandemic impacted M&A activity?

Graybill: The pandemic caused both demand and supply to be disrupted in 2020. However in 2021 many buyers could clearly see business winners and losers. Some sellers were forced to sell due to financial stress and buyers were in the drivers seat. Some business services and products benefited or were little impacted from the pandemic and saw their values increase. Owners of mid-size businesses who survived and thrived the pandemic were able to exit with little to no advance planning. Mostly due to demand from private equity for profitable businesses.

LVB: Is now a good time to buy or sell a business?

Graybill: This is a loaded question! If the buyer must rely on financing for the purchase it is becoming increasingly more expensive. The headwinds of current inflation and supply chain disruption also increase risk of success.

Some deals are internally financed so less impacted by external financing. Overall, the key to success or failure for the seller is taking time to prepare! The more time one has to prepare, the more options that will become available to the seller. Unfortunately, many small to mid-size privately held owners do not allow themselves enough time to prepare and as a result it limits their exit options.

LVB: What advice do you have for someone looking to sell or merge their business?

Graybill: There are three steps I recommend every business owner take whether they are considering a transition or not. The process of preparation is great business strategy and can lead to improving profitability for the business and improving quality of life for the owner. 1. Understand the options available to you for an exit. 2. Consult with a Business Coach, M&A expert and an Exit Planning Advisor. 3. Assess your business and personal financial planning to understand your personal wealth gap, business value gap and business profit gap.

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