BNY | WEALTH

# ANALYSIS

## MASTERING THE SALE

# 2025 Insights for *Private Business Owners*

**A BNY Wealth Study**

ANALYSIS

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# FOREWORD

We are pleased to share our inaugural *2025 Insights for Private Business Owners Report*, Mastering the Sale. It offers expert advice from the BNY Wealth team and firsthand perspectives from 127 business owners, who are either contemplating or have completed a private business sale. While every situation is unique, this study aims to demystify a process on which there is limited publicly available information.

Private business owners create jobs, support local economies and push the boundaries of innovation. Entrepreneurs are adept at solving problems but when it comes to selling their business, a new set of complexities emerge, from navigating the intricacies of business valuation and succession planning to securing financial stability post-transaction. While daunting, the right guidance can help lead to a successful exit.

Selling a business is much more than a financial transaction. It is a pivotal moment which requires a business owner to reimagine purpose and their personal legacy.

One of the most common questions we receive from clients is whether now is the right time to sell. The answer, of course, is that it depends. A business owner's long-term goals and their individual situation are just as important as the industry in which they operate and the economic cycle for determining sale timing.

A business owner who begins deal preparations today won't be selling into the market we have now, but the market of tomorrow—ideally with a two-year runway in view. Indeed, a common regret expressed by owners in this study is that they didn't devote enough time to deal preparation. More time spent cultivating the right strategy before a sale ultimately pays off with a smoother deal process.

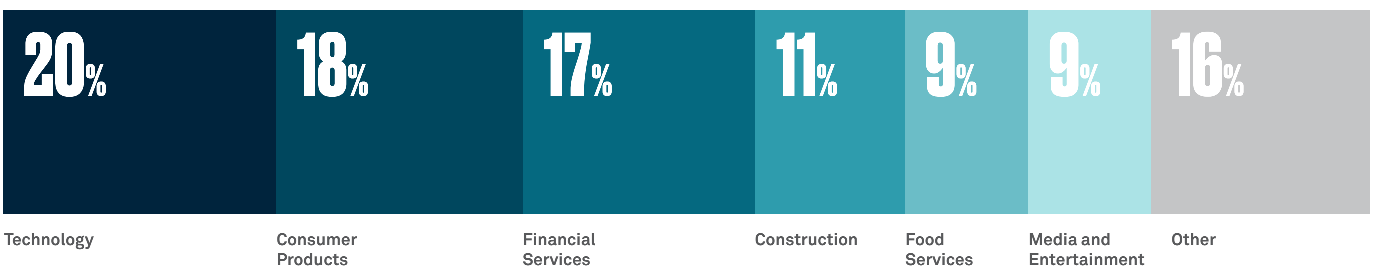
BNY has centuries of experience helping countless business owners through this transition, which includes life after the sale. We welcome the opportunity to share our expertise, resources and deep network of talented specialists to assist you at every stage of the journey.

# RESPONDENT PROFILE

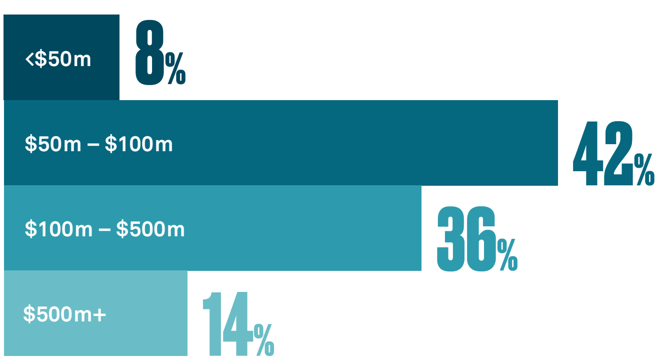
In collaboration with The Harris Poll, we surveyed 127 U.S. private business owners who had either previously sold a business or are considering doing so over the near term. Additionally, quantitative data was enriched with in-depth qualitative interviews with BNY Wealth clients, who shared their own unique situations.

We are grateful to all who took the time to participate in this proprietary BNY Wealth research study and provide us with their valuable insights.

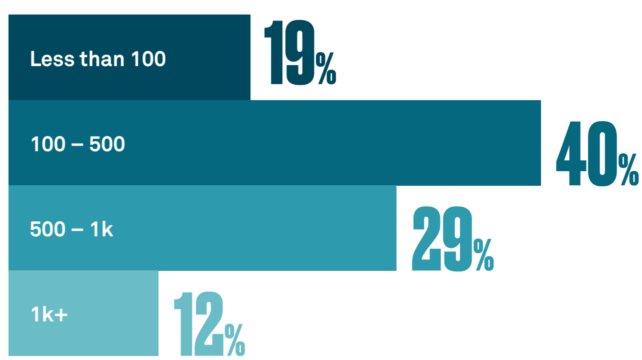
## INDUSTRY



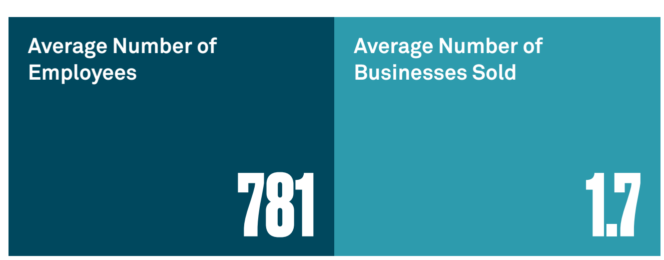

## ANNUAL REVENUE OF BUSINESS




## NUMBER OF EMPLOYEES







# EXECUTIVE SUMMARY

**Securing a fair price is the top priority for business sellers, cited by 34%.** But it is far from the only concern; in fact, almost as many (32%) said the impact on their employees was a priority.

**For all its stresses, selling is a rewarding process.** 94% of those who have sold a business are confident or very confident about their decision. 90% report that financial payouts met or exceeded expectations.

**Assembling a deal team tailored to the specific requirements of the sale is crucial to ensuring peace of mind.** Other important steps to prepare for a sale include working to increase profitability and revenue streams, and improving financial records and transparency.

**A common regret is that business sellers wish they had started planning for a sale sooner;** 40% wish they had engaged in estate and tax planning further in advance. A two-year runway is ideal for ensuring a smooth sale process.

**75% of respondents said they had used, or would consider using AI to help with the sale process.** This includes 28% who said AI had either played a crucial role in a completed sale or is something they definitely expect to use in a future sale.

**Minimizing tax liabilities requires early planning in collaboration with wealth and tax professionals.** Income tax deferral and exclusion were the most widely used pre-sale strategies reported by respondents.

**Legal and regulatory issues are the top challenges encountered by business sellers, cited by 40%.** Other major challenges include negotiating a fair price (36%), maintaining business operations (35%) and the emotional stress associated with parting (24%).

**Selling is often the beginning of an exciting new chapter.** Former owners remain highly entrepreneurial, with 59% actively planning new business ventures—most in new industries—and another 34% open to doing so.

**While sellers are enthusiastic about their next chapter,** the emotional impact of moving on is reflected in concerns about the effect on relationships with former employees or customers (25%) and a loss of identity or purpose (17%).

# 01

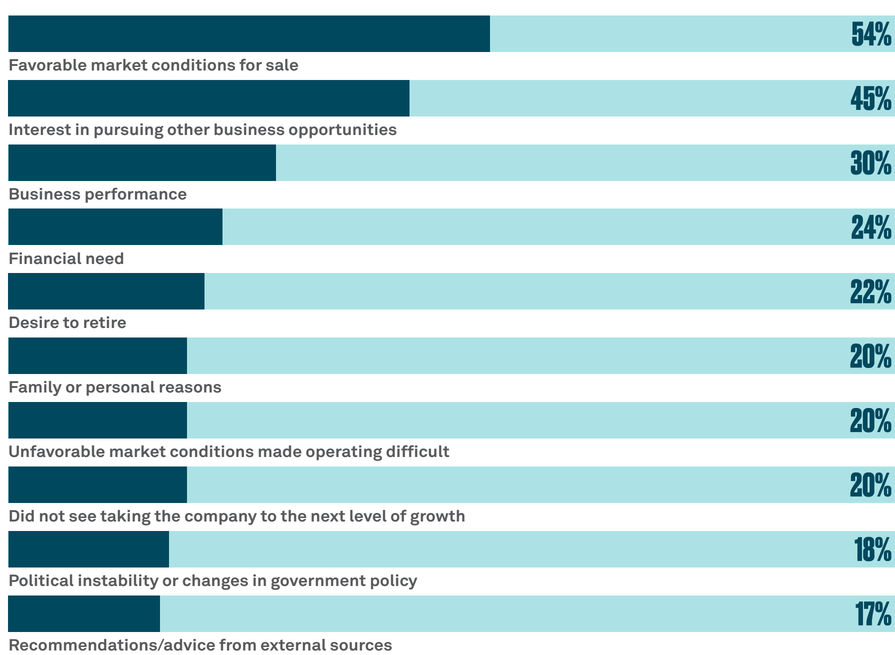
# THE SALE
## *Preparation Process*

### The Decision to Sell

There are a myriad of factors that contribute to the decision to sell a private business. The oldest business referenced in this study operated for 39 years, a significant amount of time over which to establish a professional identity, develop bonds with clients and foster deep attachments to trusted employees. Yet eventually the time comes when many make the decision to carve out a new path. The reasons business owners decide to move on are as varied as the businesses they run. Although favorable market conditions are the key driver, many express a desire to pursue fresh business opportunities elsewhere or in another industry. Some simply cite business performance, financial interests or a desire to retire as catalysts in making their decision to sell.

#### SELLING MOTIVATIONS

What motivated you to sell/consider selling your business?

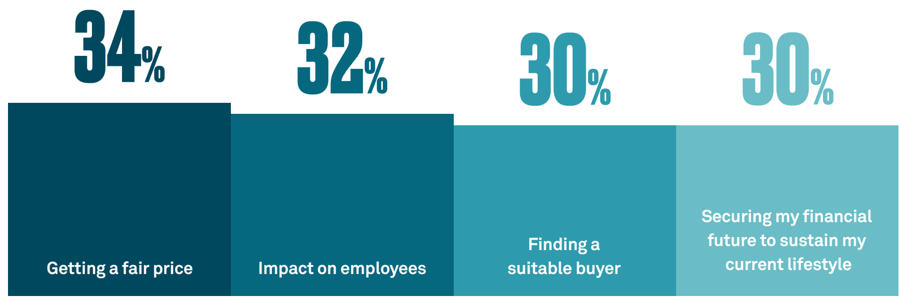



*Respondents were asked to select multiple options, hence combined percentages total over 100%.

Securing a fair price is the top priority, but this is far from the only objective. Business sellers are almost equally concerned about ensuring positive outcomes for their colleagues and employees. This feeds into a related objective: finding a suitable buyer. Of those who have sold a business, 89% mention that cultural match is important or very important when considering a buyer.

## MAJOR CONCERNS FOR SELLING

What were/are your major concerns about selling/ considering selling your business?




*Respondents were asked to select multiple options, hence combined percentages total over 100%.

*"I've been in the business now for more than 20 years and the people that we hire become like family members... and their family becomes family. So, in addition to making sure that the transaction is financially fair, the culture moving forward is extremely important to me."*

— BNY Wealth Client

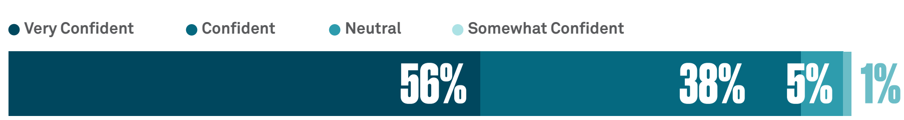
## CULTURAL ALIGNMENT WITH BUYER

Was the buyer a good cultural match for your business/employees?


For all the stress and uncertainty of selling, few sellers ultimately express regret about a decision to sell. Indeed, an overwhelming majority (94%) of business owners who have sold a business express confidence that it was the right decision.

## SELLING DECISION CONFIDENCE

How confident were you that selling your business at the time was the right decision?



## Building the Right 'Deal Team'

*"You want advisors close to you who know your business and your family. Set this team up early. Establish regular meetings, so everyone knows each other and can work well together. You're leveraging your team's expertise, and that team is greater than the sum of its parts. Setting up this team early will allow the most success during and post-sale."*

**HEATHER B. CHENEY**
Senior Wealth Strategist, BNY Wealth

The support of a team of well-connected professionals with strong industry expertise provides sellers with essential guidance, advice and greater peace of mind throughout the deal process. Frequent meetings are considered critical for building trust and ensuring a clear understanding of objectives and desired outcomes, with a weekly meeting cadence the most recommended by business owners. A capable deal team will help ensure a smoother transaction, stronger offers and ultimately a better sale price and tax treatment.

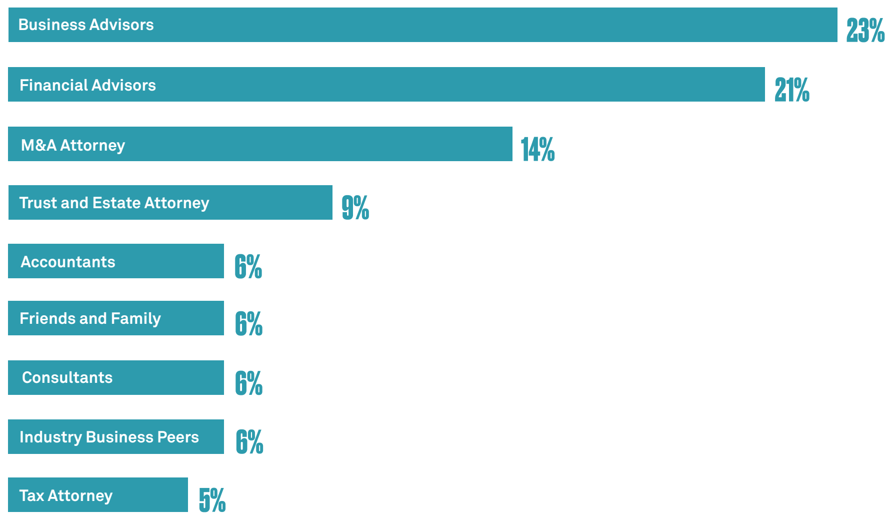
A deal team is tailored to the specific requirements of each sale, and it usually includes several core disciplines. The professional considered most influential is a business advisor – typically an investment banker – who identifies potential buyers, negotiates deals and helps to guide the sale process. The investment banker may also help with the valuation of the business, or this may be done by accountants or a professional appraiser with certified credentials in business valuation.

Business advisors are closely followed in terms of influence by financial advisors or wealth managers, who partner closely with the business owner on personal planning, investment strategy, cash flow management and life after the sale. Mergers and acquisitions (M&A) attorneys and Trust and Estate (T&E) attorneys also play vital roles to ensure all legal bases are covered. Conducting due diligence, drafting and reviewing contracts, and ensuring regulatory compliance are some of the many sale aspects that M&A attorneys can handle. Their work helps ensure a transaction proceeds smoothly with protection for both buyer and seller. Depending on the transaction, the M&A attorney may take a leading role on critical aspects of the deal. T&E attorneys are crucial to issues such as setting up trusts or ownership structures to protect or transfer sale proceeds, and ensuring a sale aligns with the owner's will or succession plans.

A Certified Public Accountant (CPA) is also required. CPAs have the legal authority to audit financial statements, issue certified reports and, if necessary, represent clients before the IRS. Often, this can be a meaningful change from the person the business owner has been working with simply due to the sophistication of the transaction and the wealth management requirements post-sale.

## MOST INFLUENTIAL ADVISORS

What types of advisors did you/do you consider the most influential during the sale of your business?

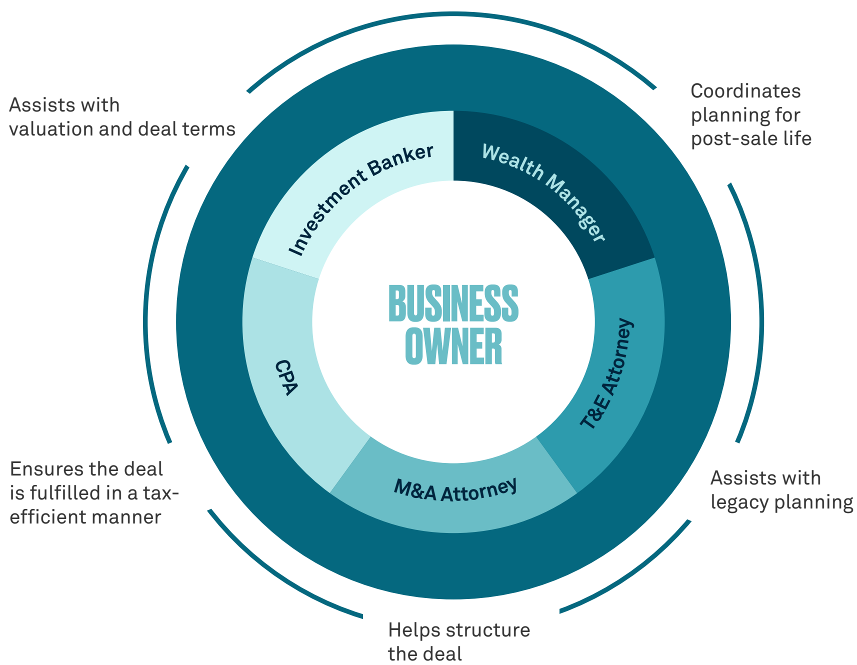



*"Most business owners assemble their deal team with some internal business resources they trust, like a CFO or other key senior managers. From there, they look to outside trusted resources like a wealth management advisor, such as a professional at BNY Wealth.*

*They often begin with one or more of the folks they inherently trust and whose judgment they've relied upon for many years."*

**RYAN SZCZEPANIK**
Senior Wealth Strategist,
BNY Wealth

## BUILDING THE RIGHT DEAL TEAM




The importance of a strong deal team extends beyond the detailed technical advice that it provides. They must have the right networks, connections and knowledge of the industry to optimize value for the business owner. Many clients tell us that they also value our experts because of the access they offer to cross-industry networks. For entrepreneurs, peer connections are an invaluable tool for sourcing new opportunities, gaining fresh perspective and enhancing their own resilience in the face of challenges.

*"My advice to these individuals is find a trusted group of people who have no conflicts of interest and have literally been in your shoes, ideally in other industries. They can advise you, share ideas on preparation and explain the situations they have witnessed."*

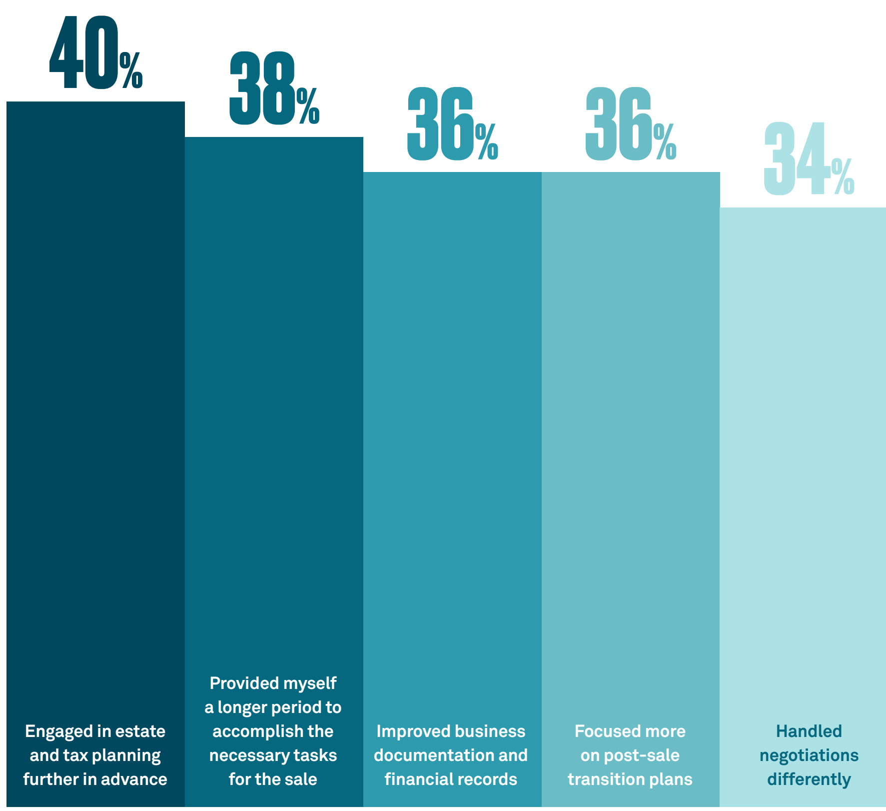
— BNY Wealth Client

More than half (52%) of business owners in this study started planning to sell at least a year in advance, while the remainder (48%) gave themselves less than a year to do so. When asked what they would have done differently, a common regret among sellers was not giving themselves a longer period to properly prepare. Specifically, 40% wish they had been quicker to engage in estate and tax planning, while 38% wished they had given themselves more time to accomplish the tasks necessary for selling. Almost as many wish they had ensured better business documentation and financial records, or focused more on post-sale transition plans – both at 36%.

Though it is not always possible, sellers should try to allow for at least a two-year runway to build a cohesive deal team that is in a position to develop an optimal tax strategy and make the right strategic decisions along the way.

## REFLECTIONS ON BUSINESS SALE

Looking back on the sale of your business, what would you have done differently?




*Respondents were asked to select multiple options, hence combined percentages total over 100%.

*"First and foremost, I would advise others to allow yourself enough time to get ready. I was not ready. In hindsight, when it happened, it felt like a flash. When, in fact, the process took 2 1/2 years to complete."*

— BNY Wealth Client

## Optimizing the Business for a Sale

Pre-sale preparation aims to make the business as attractive as possible for a potential buyer.

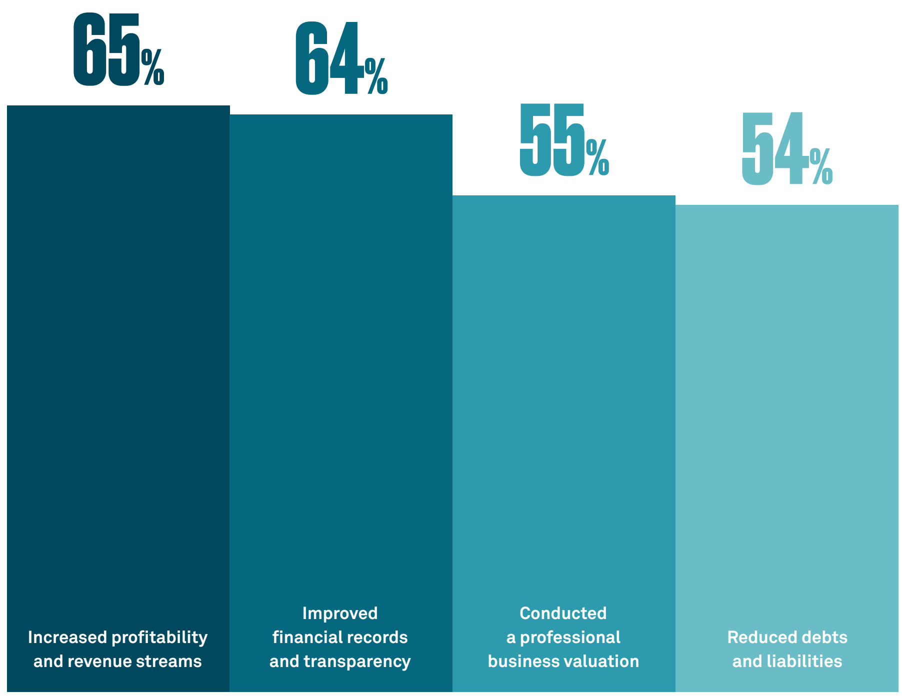
Sellers report preparing for a sale by working to increase profitability and revenue streams. It is important to resolve outstanding bookkeeping issues at this stage so that they do not create friction later in the sale process.

*"When a buyer does their due diligence, they may find things the owner didn't know about. One of the important things clients should do before they try to solicit bids for the business is to clean up their records and books and ensure everything looks good. If you're going to sell your house, you want maximum curb appeal."*

**JERE W. DOYLE**
Senior Wealth Strategist, BNY Wealth

### FINANCIAL STEPS TAKEN FOR BUSINESS SALE

What steps did you/will you take to financially prepare your business for sale?




*Respondents were asked to select multiple options, hence combined percentages total over 100%.

The valuation process is vital, but it can be confusing. Establishing a figure is as much a question of judgment and experience as one of financial analysis. Market comparison and competitor analysis are the most common techniques reported by respondents, but asset-based valuation and historical earnings calculations are also widely used, depending on the sector. Professional appraisers can work to select and combine multiple approaches. Some owners fear that their business model is so unique that it will be difficult to value, but in practice there are multiple tools available and almost no business is truly impossible to value.

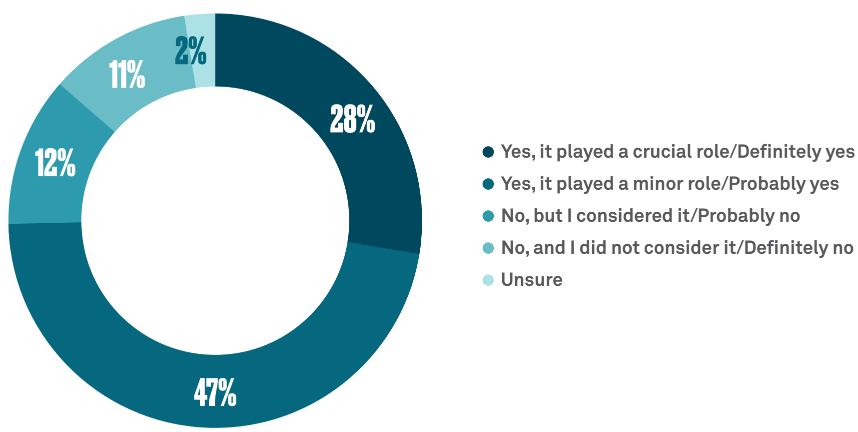
# The Arrival of Artifical Intelligence

Financial preparation for the sale of a private business is likely to become smoother over the coming years as artificial intelligence (AI) accelerates internal data management and accounting practices.

A larger than expected 75% of respondents report that they used or would consider using AI to assist them with selling a business. Indeed, 28% report that AI played a “crucial” role in the sale process, or that they definitely plan to use it when they do sell. This high degree of AI interest and utilization may partly reflect the sizeable proportion of technology businesses (20%) among respondents. The role of AI technology in the business world is evolving fast. At present, it is likely being used principally in functions which overlap with large language models (LLMs), such as sales collateral creation or internal knowledge search to facilitate the due diligence process. Over the coming years, it is anticipated that AI will play a growing role in other ways that assist the sale of a business, including compliance, valuation and financial accounting.

## ARTIFICIAL INTELLIGENCE USAGE

Did you/would you consider using AI during the sale of your business?



02

# TAX STRATEGY

## *Start Early, Be Clear on Objectives*

Implementing effective techniques designed to minimize income tax, estate tax and gift tax are a core part of the business sale process. There are numerous possible strategies in this highly complex and constantly evolving area, but for sellers two things should be top of mind: be clear about what your objectives are and begin planning early in order to meet them.

Income tax deferral and exclusion strategies were the most common approaches reported by study respondents. Estate gifting and asset transfers to trusts are also widely employed.

Other approaches, such as reorganization of business assets or conversion of business structure, can be rewarding in certain cases but do require a lengthy lead time for optimal implementation.

There is no universal solution to tax planning. The legal structure of the business being sold, time until intended sale and state residency all factor into choosing the right approach. Decisions made now can have consequences years later as, for example, in the case of an irrevocable trust. While federal income taxes exist irrespective of the state in which a business seller resides, state income taxes differ: business sellers living in high-tax states may consider changing their residency to benefit from no or lower state income tax regimes elsewhere in the country.

*"Because there are a lot of tax strategy rules and many are dependent on timing, we must get brought in as early as possible so we can start discussing strategies to minimize taxes and optimize value for estate planning purposes."*

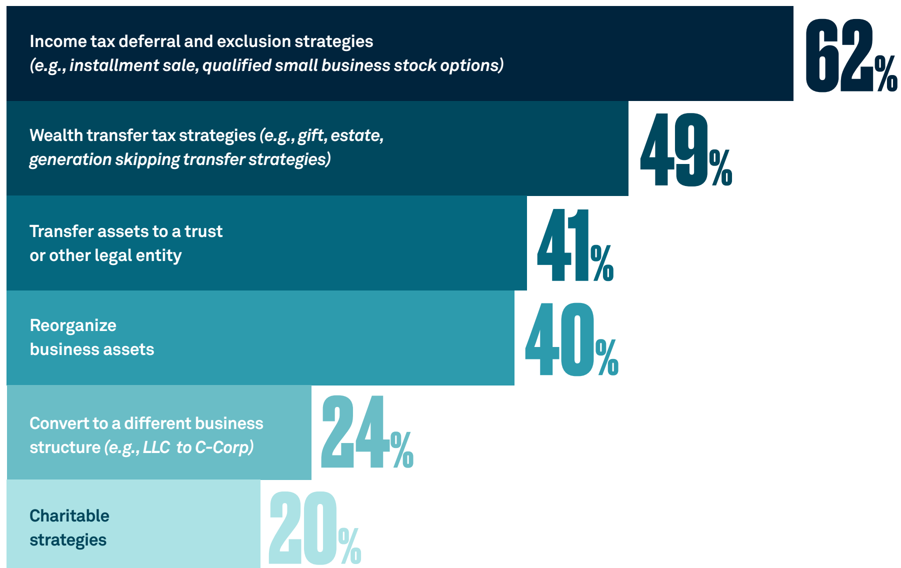
**RYAN SZCZEPANIK**
Senior Wealth Strategist,
BNY Wealth

*"My first question is usually how is the company organized? Is it an LLC, a partnership, an S-Corp or a C-Corp? That's going to drive and significantly impact the structure of the sale. Based on this, I educate my clients on the income tax consequences and, in some cases, the estate tax consequences of the sale."*

**JERE W. DOYLE**
Senior Wealth Strategist,
BNY Wealth

## PRE-SALE TAX STRATEGIES IMPLEMENTED

Which of the following pre-sale tax strategies did you/do you plan to implement to optimize your tax position before selling your business?




*Respondents were asked to select multiple options, hence combined percentages total over 100%.

## Aligning Objectives with Tax Strategy

Effective tax and estate planning entails more than mere calculations. Its real value encompasses how it enhances life beyond the sale. To reach a successful outcome, objectives should be identified before the planning process begins. These objectives can range from protecting assets to maximizing post-sale income. In other cases, the goal may be building multigenerational wealth, whereas some may aim to broaden their philanthropic endeavors.

Trusts and other wealth planning strategies are an essential tool for managing sale proceeds, reducing income and estate taxes, and transferring wealth across generations.

| OBJECTIVES | TRUSTS & WEALTH PLANNING STRATEGIES TO CONSIDER |
|---|---|
| REDUCE ESTATE TAXES | Grantor Retained Annuity Trust, Spousal Lifetime Access Trust, Intentionally Defective Grantor Trust, Charitable Remainder Trusts and Dynasty Trusts |
| GENERATIONAL INCOME | Grantor Trusts, Charitable Remainder Trusts |
| MINIMIZE/DEFER CAPITAL GAINS TAXES | Charitable Remainder Trusts, Non-Grantor Trusts in tax-friendly states |
| PROTECT ASSETS | Asset Protection Trusts |
| REDUCE STATE TAX BURDEN ON SALE PROCEEDS | Non-Grantor Trusts in tax-friendly states |
| PRESERVE FAMILY WEALTH | Dynasty Trusts |

# The following tax mitigation approaches may be of value, depending on each business owner's unique situation and goals.

## Qualified Small Business Stock (QSBS)

*"If a business owner has held C Corporation stock for at least five years and the stock otherwise meets the requirements of 'qualified small business stock' (QSBS), the shareholder has the opportunity to exclude from taxable income, generally, up to $10 million of gain on the sale of the business. The exclusion is per qualifying shareholder. Thus, the owner could 'stack' multiple $10 million exclusions by planning well in advance and gifting QSBS to children or irrevocable trusts for the benefit of children. This is an extremely valuable tax planning opportunity for companies that qualify."*

**JERE W. DOYLE**
Senior Wealth Strategist, BNY Wealth

## Asset Protection Trusts

*"We're seeing a lot of growth in the use of asset protection trusts. These trusts are created to benefit the person putting the assets into them and possibly their family. However, the owner has no control over the trust; they're just a discretionary beneficiary. Most of the owner's creditors can't access the trust, so it provides a layer of protection."*

**ANNA-KATHERINE MOODY**
Senior Wealth Strategist, BNY Wealth

Grantor Retained Annuity Trust (*GRAT*)

*"A Grantor Retained Annuity Trust can be a powerful tool, especially when interest rates are low. The growth inside the GRAT, above the nominal interest rate, will pass to the beneficiaries, typically the business owner's children, without using any estate and gift tax exemptions."*

**HEATHER B. CHENEY**
Senior Wealth Strategist, BNY Wealth

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Intentionally Defective Grantor Trust (*IDGT*)

*"The Intentionally Defective Grantor Trust is a tax strategy commonly used to get the appreciation of an asset out of the estate. However, this has to be set up way in advance. You can't do this at the last minute, so that's another reason why careful pre-planning is essential."*

**JERE W. DOYLE**
Senior Wealth Strategist, BNY Wealth

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Non-Grantor Trusts (*Tax-Friendly States*)

*"Setting up non-grantor trusts in states like Delaware to mitigate state income tax is an important strategy for clients who reside in states that have a state income tax. The strategy involves transferring the business interest into the trust well before a sale, and then when the sale happens, the realized gains do not incur state income tax, but timing is everything, and the strategy must be implemented early and structured correctly."*

**RYAN SZCZEPANIK**
Senior Wealth Strategist, BNY Wealth

# Charitable giving can be a powerful method for business owners to enjoy more control over how their wealth is used.

A wide range of legal structures are available for philanthropy, including charitable remainder trusts (CRTs). Many are also drawn to donor advised funds (DAFs) because of their flexibility, privacy and lower administrative burden when compared to trusts. DAFs are cost-efficient, easy to use and allow donors to recommend how to invest the assets and specify distribution of grants to their favored causes. Once a gift has been made, the sponsoring organization manages compliance and recordkeeping, allowing the philanthropist to focus on doing other things. This allows a business owner to further their legacy goals and designate their children as successor advisors to the DAF, if they choose.

*"Charitable giving opens many doors to alleviate income tax post-sale. Clients can make an outright charitable gift or create their own foundation where they have more control and a variety of strategies in between. Each strategy is subject to a different deduction limitation, but each allows the client to take a charitable deduction on the income tax side."*

**ANNA-KATHERINE MOODY**
Senior Wealth Strategist, BNY Wealth

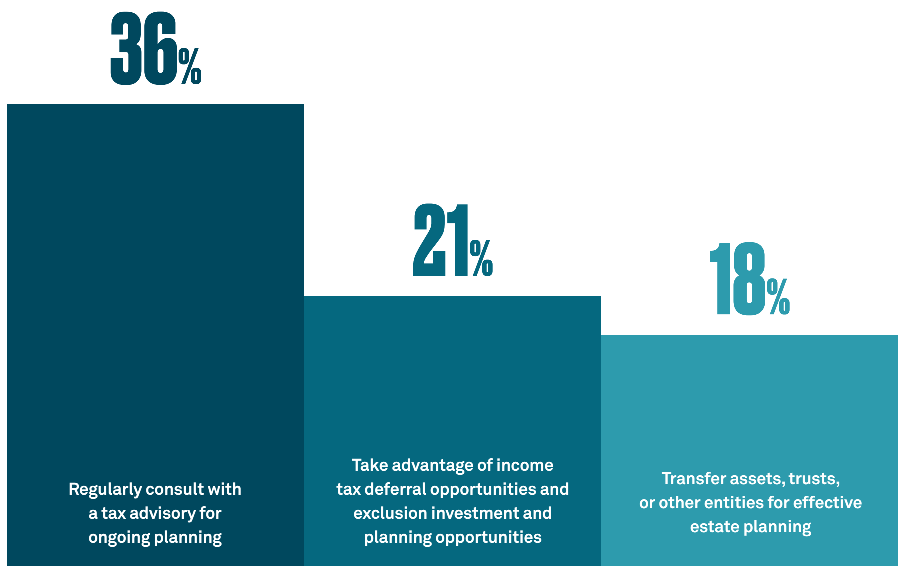
*"Clients can use a wide range of charitable strategies, including outright gifts, charitable foundations, donor-advised funds or charitable retained-interest trusts, to remove assets from their estates and to avoid or minimize the capital gains tax on the sale of business interests. After a sale, funding a DAF is a popular option because it's easy to set up, there is a maximum income tax deduction and a lot of flexibility on the gifts to charity. CRTs are also popular because clients get an immediate income tax deduction, deferred capital gains taxes and also benefit from a stream of income from the trust for life."*

**HEATHER B. CHENEY**
Senior Wealth Strategist, BNY Wealth

Those who have sold a business continue to regard tax guidance as essential even once the sale is complete. While tax planning often requires sophisticated advice, it clearly proves worthwhile. Only a quarter of business owners who have sold a business report that taxes "significantly" impacted sales proceeds.

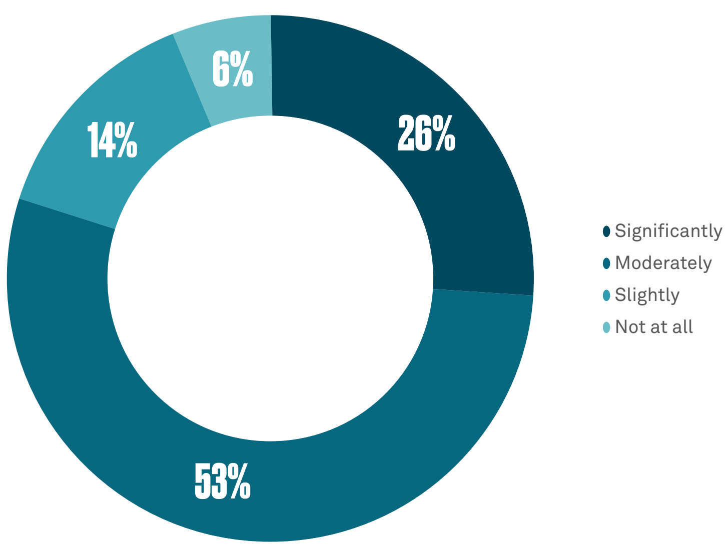
## ADVICE FOR MANAGING TAX OBLIGATIONS

What is the best advice you have received about managing your tax obligations after selling your business?




## TAX IMPACT ON NET GAINS FROM BUSINESS SALE

How significantly did taxes impact the net gains from the business sale?



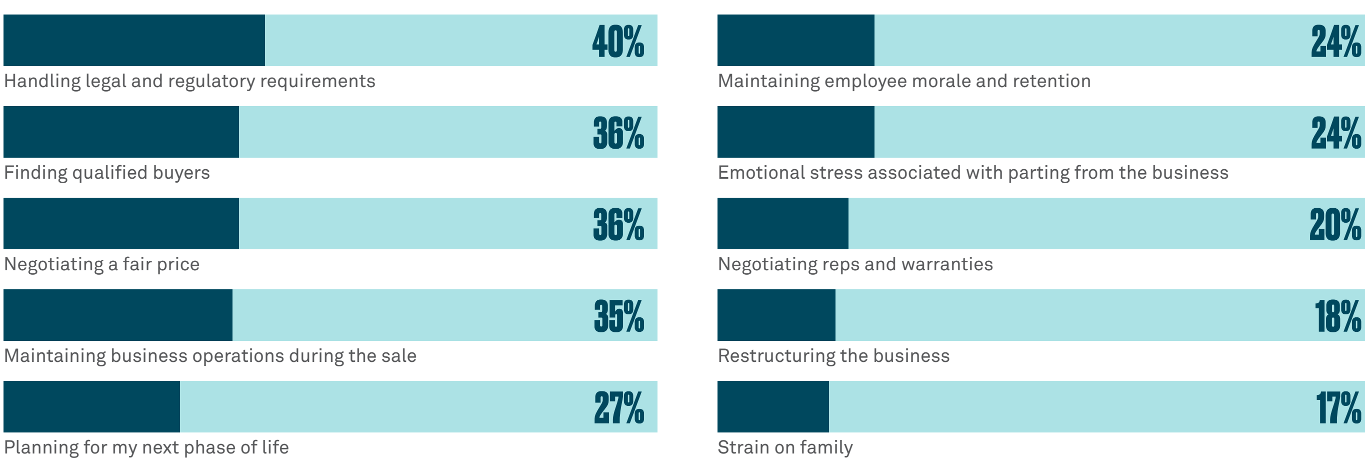
# 03 ADVICE
## *On Top Challenges*

The sale process can be complex and lengthy. Entrepreneurs report encountering a wide range of personal and professional challenges during this time. These range from handling legal and regulatory issues (40%) to the strain on family (17%).

The mechanics of securing a sale were also significant challenges for many: finding qualified buyers and negotiating a fair price were both cited by 36%. But the emotional side of selling a business also featured prominently; 24% mentioned the emotional stress of parting, while the same proportion cited maintaining employee morale. Slightly more (27%) were concerned about planning for the next phase of life.

### MAJOR CHALLENGES DURING SELLING PROCESS

What were the top three major challenges you faced/ anticipate facing during the selling process of your business?




*Respondents were asked to select multiple options, hence combined percentages total over 100%.

# Advice to Avoid Other Common Pitfalls:

Long-standing business advisors may not possess necessary deal team skills

*"We realize that clients have a lot of loyalty and trust in advisors that they've had from the very beginning, and there can be some reluctance to assess whether their current advisors are capable of guiding them through this big change. However, an open mind is important because the legacy advisor might not be the right advisor when exiting their business. So, it's our job to advise them and help them navigate the complexities of selling their business, which means finding the right people."*

**ANNA-KATHERINE MOODY**
Senior Wealth Strategist, BNY Wealth

*"Knowing these clients well, their families, their personal goals and their businesses, is critical to finding the right partners for their deal team. We pair that knowledge with our extensive, longstanding relationships with a wide variety of outside experts so we know who the right fit for each client is, and we can set up warm introductions that yield strong partnerships. There is a real shortage of new CPAs coming into the industry. Last year, my colleagues and I interviewed three CPA firms on behalf of our client until we found the one who had the right expertise to take on a complex situation. We saved our client a lot of time and aggravation by doing this work ahead of time and they have been really happy with the results."*

**HEATHER B. CHENEY**
Senior Wealth Strategist, BNY Wealth

## Business sale valuation expectations may not be realistic

*"Many entrepreneurs consider their business their 'baby,' and they have a lot of confidence in it, as they should. However, sometimes what the client thinks their business is worth can be inconsistent with the investment banker's valuation or what the buyer is willing to pay. This can be a surprise and impact the seller's decision about whether to sell now or to wait. Clients need to maintain an open mind during this process."*

**RYAN SZCZEPANIK**
Senior Wealth Strategist, BNY Wealth

## Underappreciation of the tax impact on sale proceeds

*"Considering taxes early in the business sale process is crucial. Many business owners miss significant tax-saving opportunities by not planning ahead. Engaging with tax advisors before determining valuations can maximize the value received from the sale and ensure a smoother transition. Don't wait until the week or month before the sale, start early to avoid any last-minute surprises."*

**JERE W. DOYLE**
Senior Wealth Strategist, BNY Wealth

Conflicts with co-owners of the business who are family members

*"Navigating a business sale with family members who are part owners can be particularly challenging. Emotions often run high, and differing opinions on the value and future of the business can complicate the process. It's essential to have clear communication and a well-defined plan to ensure a smooth transition. For example, is there clarity as to which family members will stay involved in the business, and in what roles? Is the owner's estate plan structured to fairly equalize the inheritance of the family members who are not remaining in the business? How could estate taxes and capital gains taxes impact what different family members ultimately receive? These are some of the many considerations we often raise with our clients and help them resolve."*

**HEATHER B. CHENEY**
Senior Wealth Strategist, BNY Wealth

'Cultural' factors not being appropriately considered in buyer/ successor selection

*"Many clients want the successor to carry their legacy and not compromise the company's goodwill. They also want the successor not to compromise the culture and treat the employees as the business owner treated them. Finding the right successor can be a time-consuming challenge. Business owners often underappreciate how much they genuinely care about the company culture and their employees until they start going through this process."*

**RYAN SZCZEPANIK**
Senior Wealth Strategist, BNY Wealth

04

# LIFE BEYOND THE SALE

## *New Identity, New Opportunities*

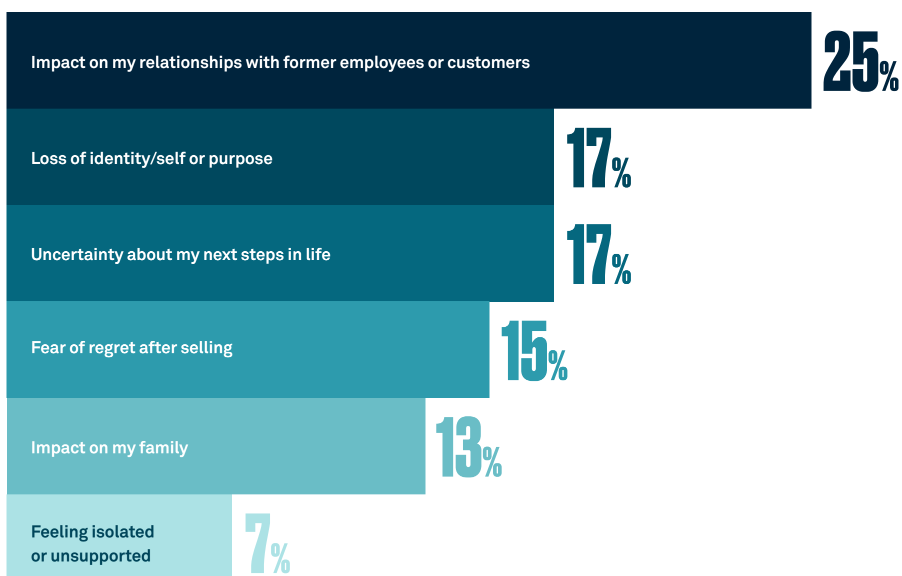
Moving on from a business that you have spent many years or perhaps even a lifetime building is a major life event, personally, professionally and financially. Sellers leave behind longstanding relationships and are often worried about carving out a new identity.

*"Selling my firm provided me with financial independence and lessened stress, but I miss the daily challenges."*

— Private Business Owner

### EMOTIONAL IMPACT OF SELLING BUSINESS

What concerned or concerns you the most about the emotional impact of selling your business?




*All other respondents indicated 'Other' or 'Not sure'.

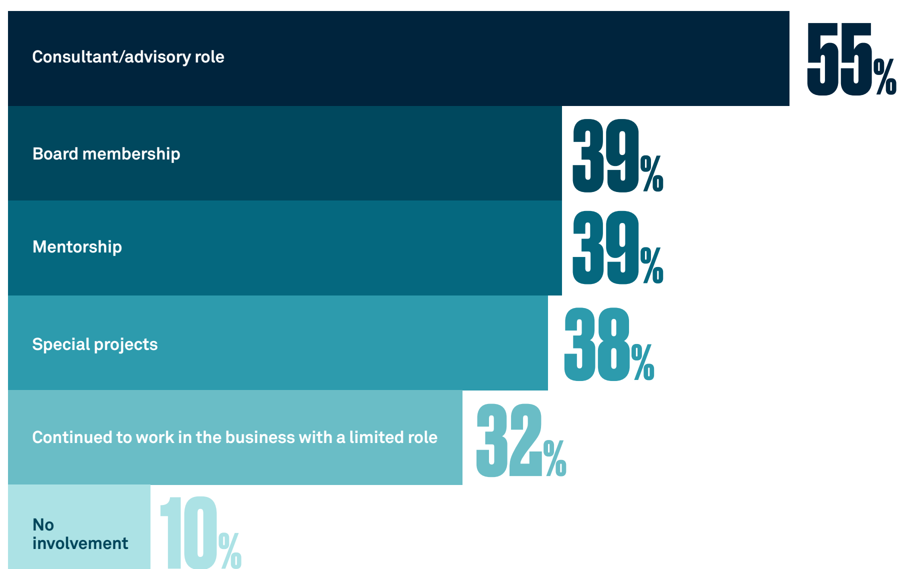
There are a number of ways for sellers to ease the transition:

## Staying Connected to the Business

It is common for sellers to stay on as advisors or board members at a business they have sold; however, this is entirely dependent on the terms of the deal. It's common for some sellers to maintain a stake in the business, at least during an initial earn-out period. Slightly more than 70% of sellers in this study chose to maintain an ownership stake post-sale. Such arrangements may come about at the request of the buyer or the seller and can help ease the transition for both parties. However, it is important to view them as temporary and for the seller to plan what they wish to do beyond the transition period.

### INVOLVEMENT WITH BUSINESS POST-SALE

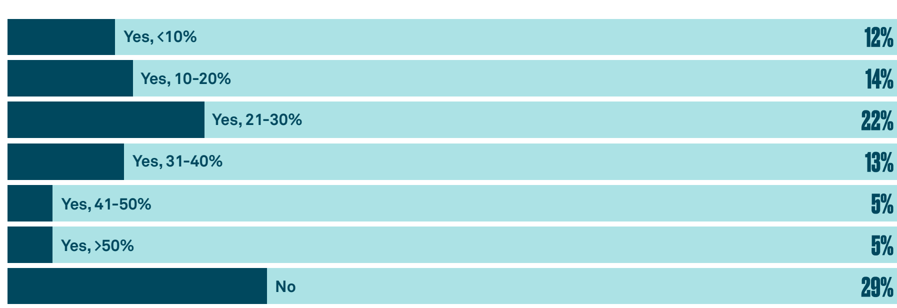
What is your involvement with the business, post-sale?




*Respondents were asked to select multiple options, hence combined percentages total over 100%.

### OWNERSHIP STAKE POST-SALE

Did you/do you plan to maintain an ownership stake in your company post-sale?

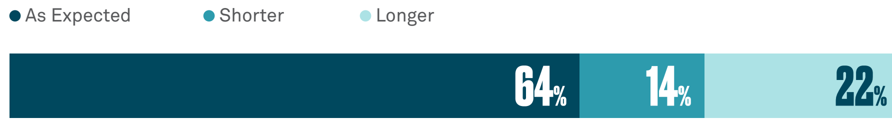



*"Post-exit, it is quite common for business owners to retain an ownership stake in the company, resulting in company and industry-specific concentration. By implementing a thoughtful diversification strategy, he or she can effectively mitigate the idiosyncratic risks associated with a single stock position, unlocking a smoother financial future that aligns with their personal goals and legacy aspirations."*

**SINEAD COLTON GRANT**
Chief Investment Officer,
BNY Wealth

### DURATION OF POST-SALE INVOLVEMENT

Did you continue to work in or support the business longer or shorter than you had planned, or as expected?

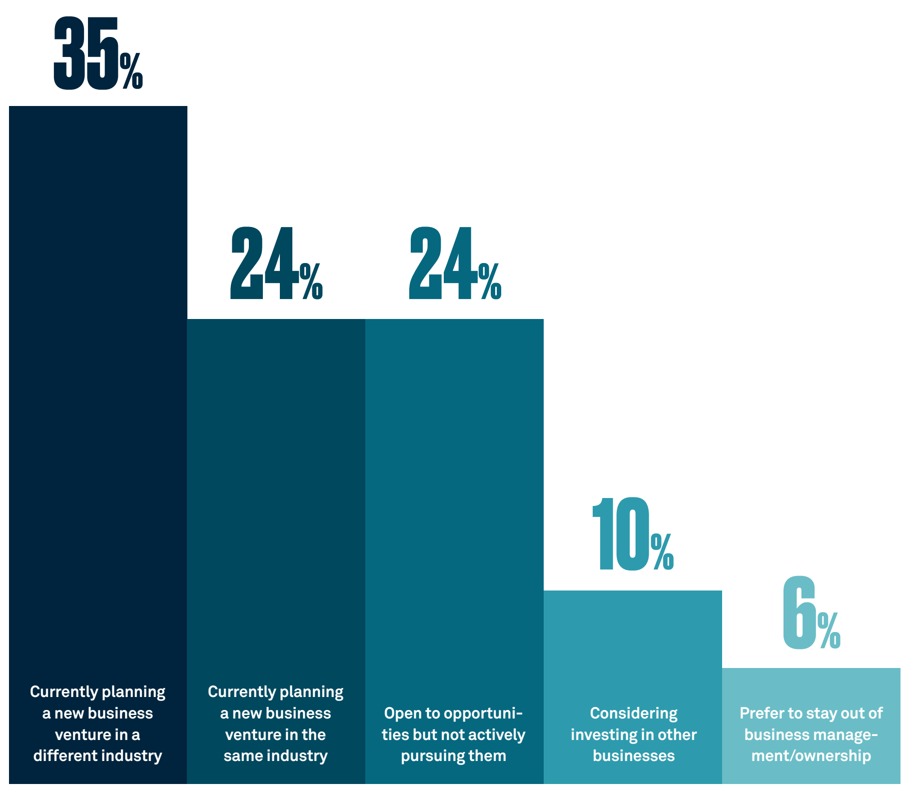



## Founding a New Business

Business owners remain highly entrepreneurial, with nearly 60% of respondents currently planning new ventures. Interestingly, their next enterprise may be in a completely different industry.

### INTEREST IN RE-ENTERING THE BUSINESS WORLD OR STARTING A NEW VENTURE

Do you have any interest or considerations for re-entering the business world or starting a new venture?




*"I was able to start another business I liked much better and that gave me more financial freedom."*

— Private Business Owner

*"I bought a new house and relocated just before I sold my business, and then we moved into the new house. I think that has been a savior in some regards because it gave me a new project... I was 'repotted.' You know, I suddenly had a new neighborhood and a new project in getting settled. So yeah, I think in some regards that change, that inflection point, was very beneficial."*

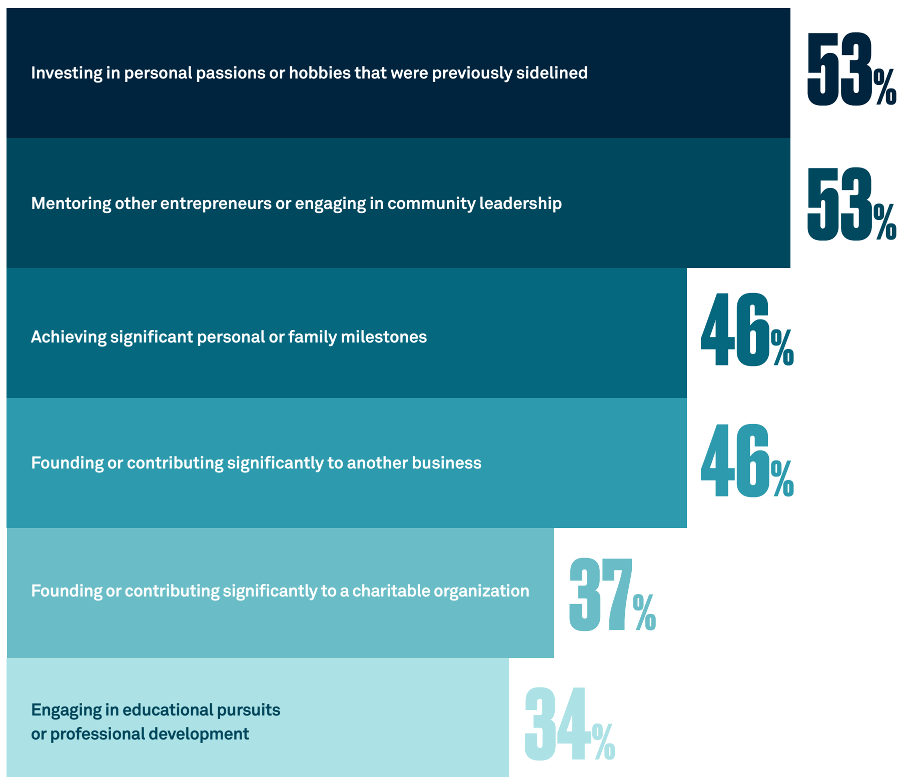
— BNY Wealth Client

## Embracing New Activities

For many sellers, a sale is an opportunity to explore new hobbies or roles in the community and family that the demands of business ownership had previously obliged them to put on the back burner.

### BUSINESS OWNERS PURSUE PASSIONS AND MENTORSHIP AFTER BUSINESS SALE

What personal achievements or initiatives have you pursued/do you hope to pursue following the sale of your business that you most value or are most proud of?




*Respondents were asked to select multiple options, hence combined percentages total over 100%.

## Building a Family Legacy

*"Family governance is preparing the next generation to be good stewards of the wealth. Communication among family members is critical. Having regular family meetings, discussing issues and finding common values, as opposed to differences among the family members, is incredibly important, especially when it involves people from different generations."*

**RYAN SZCZEPANIK**
Senior Wealth Strategist, BNY Wealth

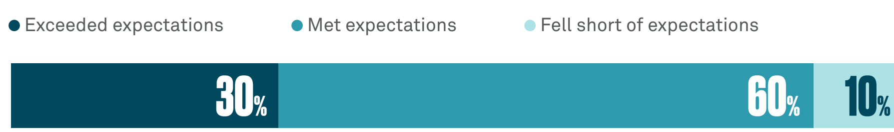
# 05

# *From Business Owner* TO INVESTOR

Even though a business sale marks a highly significant liquidity event in a seller's life, many still wonder, "*Will I have enough?*" An important part of post-sale life involves managing the transition from entrepreneur to becoming an active investor.

## FINANCIAL PAYOUT VS. ORIGINAL EXPECTATIONS

How did your financial payout meet your original expectations?




Business owners generate income in a different fashion than those who solely focus on investing. For example, their income stream is tied to the specific industry in which their company operates, whereas investors seek a diversified income stream from a portfolio encompassing many different asset classes and geographies. This diversification is a passive defense against external threats such as inflation. However, business owners are more accustomed to playing a more active role in key business decisions and the events that shape their wealth.

A key concern for sellers post-exit is how to build a wealth plan and investment portfolio that can generate a steady cash flow while minimizing taxes. 68% of business owners believe that a wealth manager is an invaluable resource in this respect.

# AdvicePath℠: BNY Wealth's award-winning business owner planning tool

AdvicePath is an interactive and proprietary planning tool rooted in BNY Wealth's five Active Wealth strategies of invest, protect, manage, spend and borrow. These disciplines work at every point of the wealth cycle—from accumulation through intergenerational transfer—and allow clients to develop plans based on their personalized goals.

Through modelling and analysis, BNY Wealth experts can help business owners visualize post-sale life according to their lifestyle goals, investment and asset allocation targets, and spending and wealth transfer strategies.

*"Everyone wants to know how to ensure sustainable, predictable and sufficient cash flow for themselves and their family post-sale. That's where we come in. We have a proprietary tool where we plug in their current assets, estimates about the sale of the business, what markets are going to do and any potential significant expenditures, and this creates a go-forward model that shows precisely how their cash flow will work. This gives our clients a lot of comfort and understanding that they can transition from receiving a salary from the business to generating cash flow from the portfolio invested with us."*

**HEATHER B. CHENEY**
Senior Wealth Strategist, BNY Wealth

*"Following the sale of a business, it's crucial for owners to reassess their investment strategy to ensure it aligns with their new cash flow needs. By doing so, they can maintain their lifestyle and achieve long-term financial goals, rather than relying on the familiar but now absent cash flow from their former business."*

**SINEAD COLTON GRANT**
Chief Investment Officer, BNY Wealth

# CONCLUSION

We understand that navigating the sale process can appear to be a formidable challenge. Selling and planning for post-deal life can feel daunting because it touches every aspect of a business owner's life, from their daily work schedule and professional reputation to family obligations and personal legacy. However, with careful planning, strategic guidance and the right support, a successful business sale can be a transformative catalyst for growth, unlocking new opportunities and securing a lasting legacy.

For over 240 years, we've been helping entrepreneurs and private business owners grow their wealth and secure it for future generations through every kind of market cycle. Our breadth of experience, together with a relentless client focus, has helped us build relationships that span generations.

Let's start a conversation.

bny.com/business-owners

# APPENDIX

This report was a collaborative effort between BNY Wealth and the Harris Poll. The survey design was conceptualized by BNY Wealth, while Harris Poll recruited participants and executed the digital survey.

Both firms contributed to the crafting of the insights and findings. Further qualitative data was provided via in-depth interviews with BNY Wealth clients.

The statistics in this report reflect the feedback of the surveyed 127 U.S. private business owners and BNY Wealth clients and they do not reflect the view of BNY. Certain outcomes may be derived from small sample sizes and should be used for directional purposes only.

| | |
|---|---|
| **NUMBER OF RESPONDENTS** | **127** |
| **YEARS OF OPERATION** | **3-39** |
| **BUSINESS PARTIALLY OWNED BY FAMILY** | |
| Yes | **27%** |
| No | **73%** |
| **NUMBER OF BUSINESSES SOLD** | |
| Average | **1.7** |
| **STARTED PLANNING TO SELL** | |
| 1-6 Months Before | **19%** |
| 7-11 Months | **29%** |
| 1 Year | **35%** |
| 2+ Years | **17%** |
| **YEARS SOLD** | |
| 2024/2025 | **39%** |
| 2022/2023 | **40%** |
| 2021 or prior | **21%** |