Coming off an active market for mergers and acquisitions, the latest UBS Investor Watch looks at business owners who now face headwinds from higher interest rates, inflation and political uncertainty. We spoke with owners considering an exit and those who recently sold their business.

Among current business owners, we found that many fear they missed their best chance to sell. But experts advise that opportunities still exist and the key to attracting the right buyer is to plan ahead. As for business owners who recently sold, most wish they’d taken more time to prepare. They’d agree: start planning now to be ready when the winds shift and opportunity arrives.

Business owners are concerned about valuations in the current market

Many worry about getting a fair price ... ... and regret not selling sooner

Highly concerned about a lower business valuation in current economy

Regret not trying to sell or exit business sooner

61% 40%

How they intend to exit

54% 36% 10%
Sell to outsider Sell to insider Not sure
23% Strategic buyer 17% Partner or management
21% Private equity 13% Next generation
10% IPO 6% Employee Stock Ownership Plan (ESOP)

“While the macroeconomic environment is weighing on overall M&A activity, there continues to be a bid for high-quality, resilient, cash flowing businesses.

Advanced preparation is key for taking advantage of future market windows.”

Oliver Henderson, Managing Director, OneBank Coverage, UBS Investment Bank
Yet many business owners aren’t properly prepared to sell when the time is right.

They have not taken steps to sell …

- 34% Have not identified professionals to help finalize the sale.
- 34% Have not put structures in place to help minimize taxes and shield proceeds.
- 31% Have not completed a business valuation.

… or transfer their newfound wealth

- 40% Have not engaged heirs in dialogue about family wealth.
- 37% Do not have an estate plan.
- 31% Have no plan for what to do with the proceeds.

And business owners who sold underestimated the time needed to prepare.

Most spent less than two years preparing for the sale …

- 73% Spent two years or less preparing to sell their business.
- 32% Less than 1 year.
- 41% 1-2 years.

… and a vast majority regretted not preparing sooner

- 81% Wish they had spent more time preparing for a sale.

**Expert insight:** Planning for a sale

“Before engaging an investment banker or soliciting interest, educate yourself on potential tax strategies. Decide whether any ownership interests should be transferred to family or charity so they can also benefit from the transaction.

As for timing, the earlier the better. We often work with clients years before a transaction to get them, their businesses and families prepared for a sale.”

Ann Bjerke, Managing Director, Head of UBS Advanced Planning.
When selling, business owners consider more than just the sale price

**Business owners have concerns beyond the sale**

% worried when giving up ownership

- 87% Buyer won’t treat employees well
- 85% Won’t have as much of a sense of purpose
- 84% Don’t agree with direction buyer will take the business

**But they look forward to new opportunities**

% greatly look forward to the following

- 73% Traveling and spending time with friends and family
- 52% Start a new business venture
- 45% Giving back to community or charitable causes

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**Expert insight:**

Family and philanthropy

“A successful post-sale road map often requires owners to redefine their purpose as well as roles and responsibilities for themselves and family who will be involved in new philanthropic or entrepreneurial pursuits.”

Heather George, Executive Director/Senior Strategist, UBS Family Advisory & Philanthropy Services Americas
Most business owners who recently sold sought advice from their financial advisor

Who they turned to

66% Financial advisor
35% Accountant
33% Lawyer
32% Family
28% Business broker

Plan early and seek the advice needed to take action

It’s never too early to plan, but it can be too late, especially to maximize net proceeds. Strategic planning and tailored solutions, including financial and investment banking expertise, can help throughout the lifecycle of a business.

With the right guidance, business owners can proceed with passion and exit on their terms, embracing their future with new enthusiasm.

Are you exit-ready? Talk to a UBS Financial Advisor.

About the survey: UBS surveyed 416 US business owners who are looking to sell their business in the next five years and 123 who have recently sold a business. Each business owner has at least one employee and $1M in annual revenue. Survey was conducted from April 12th – 20th, 2023.

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