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Survey: CT business owners eyeing retirement unprepared for exit

Is there an active market in Connecticut for buying and selling businesses?

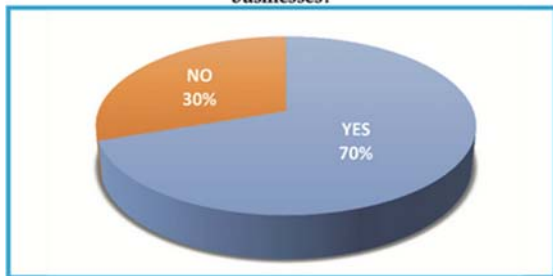


CHART | CT EXIT PLANNING SURVEY

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Of the 2,500 Connecticut business owners surveyed in a 2016 exit planning study, 60 percent said they plan to retire in the next five years, but most do not have an exit strategy.

That is a key finding from the 2016 Connecticut Business Owners Exit Planning Survey recently completed by VR Business Sales – Mergers & Acquisitions in conjunction with **accounting firm Marcum LLP** and the law firm of Zangari Cohn Cuthbertson Duhl & Grello P.C. VR Business Sales New Haven represents owners of businesses valued between \$500,000 and \$25 million or with annual revenues from \$1 million to \$30 million.

The survey concludes owners are optimistic about selling and exiting their businesses, but ill-prepared to do so. Proper planning is needed to optimize sale price and ensure transaction value meets exit needs for life after sale, the firms conducting the report said.

Among those confident they can sell their businesses, the top observations expressed include uncertainty about the exit process due to lack of planning and the potential difficulty of finding a suitable buyer.

When asked which exit strategy they would use, 25 percent said they did not know; 28 percent said sale to another company; and 21 percent said sale to an outside individual.

Seventy percent said they believe there is an active market for selling a business in Connecticut.

The market surveyed included owners of businesses with revenues under \$30 million, located in Connecticut, and operating in a full range of market segments with exception of the hospitality and retail sectors.

Jeff Swiggett, president of VR, said most of the survey participants were not clients.