

# Retirement Strategies for Wealthy Business Owners

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*P*Private  
Wealth

## Narrowing the Business Focus

>75% of advisors specialize in a particular client type

	Top 10%	Next 25%	Bottom 65%
Corporate Executives	21.3%	39.4%	63.2%
Family Businesses	88.5%	61.5%	37.1%
Private Businesses	90.2%	63.5%	34.9%
Medical Professionals	19.7%	32.7%	31.5%
Retirees	13.1%	10.6%	38.0%
Widows/Widowers	9.8%	12.5%	26.2%
Professionals	26.2%	18.3%	19.9%
Inherited Money	14.8%	15.4%	12.8%
Celebrities	18.0%	5.8%	4.0%

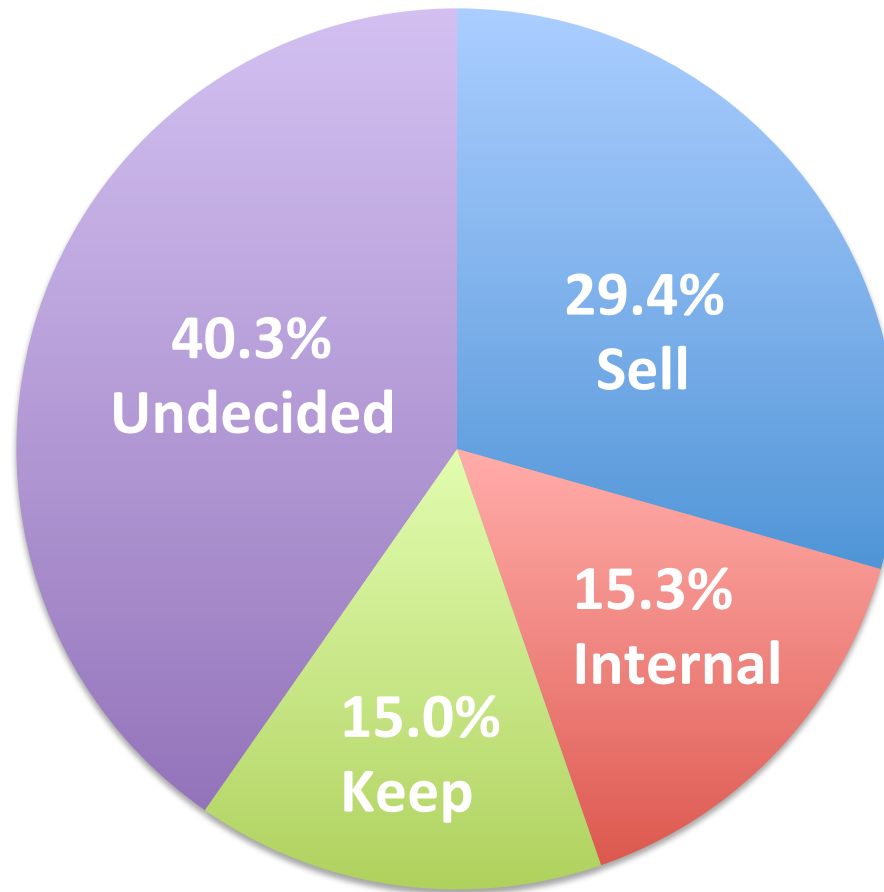
# About Business Owners

Substantial assets, limited liquidity, unprepared for future events

- Primary research: peak earning years, 45-60 years old
- Substantial net worth, illiquid wealth, limited cash flow
- Must sell or transition in order to actualize wealth
- 73% services v. 27% manufacturing
- Most unprepared for disaster or succession
- Most, especially small, have inadequate benefits and retirement programs
- Want and need help with succession and valuation
- Overarching sense of financial fragility

# Long-Term Objectives for Business Owners

60% have plans but are not prepared



# Business Owners and Retirement

Most are open to new ideas, programs and service

- 30% want to sell, but most are undecided
- Haven't taken any investigative steps to prepare
  - Just 17% planning to sell
  - Just 30% planning an internal transfer
- 75% of estate plans and >5 years out of date
- 63% are NOT very satisfied with retirement programs
- Greatest retirement concern is sufficient \$\$
- Most qualified plans are underfunded
- Selling the business is “part of retirement strategy”

## Business Owners and Advisors

Potential to play a broader role with most business owners

- 63% turn to influencers they know and trust for guidance, referrals
- 69% are NOT very satisfied with primary advisor
- Growing caution re: advisors, prioritize fewer relationships w/stronger ties
- Extensive needs and networks
- Represent an enormous business building opportunity for advisors

# Differences Worth Accommodating

Source of wealth strongly influences outlook and mindset

Self-Made		Inheritors
Core focus	<b>Wealth Creation</b>	Less important
Lower priority	<b>Family Interactions</b>	Important and complicated
High, across the board	<b>Exerting Control</b>	Varies, prevalent in select scenarios
Via trusted professionals	<b>Sourcing Experts</b>	Via professionals and peer group
Hubris	<b>Downfalls</b>	Lack of knowledge and focus

# The Whole Client Model

Holistic profiling uncovers tangents, leads to dialogue





## Other Uses for Holistic Profiling

Don't overlook the opportunity to uncover key information

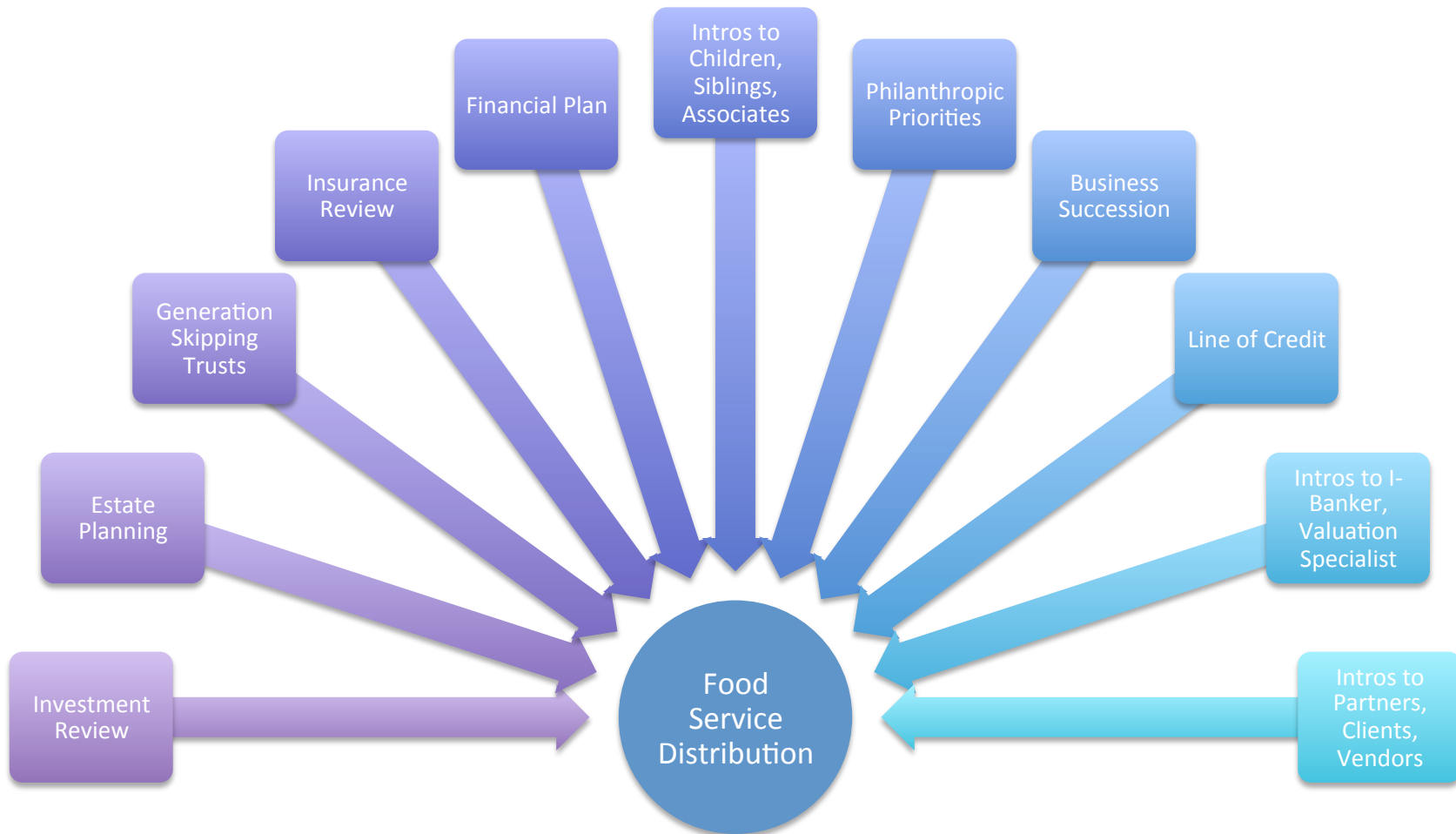


### The WCM and Business Owners

- Type of business
- Service or manufacturing
- Ownership structure
- Partners
- Succession plans
- Vendors, Clients
- Duration and involvement
- Subsidiaries or sister organizations

# Your Best Use of a 30-Minute Client Meeting

Be conversant (not expert) in each area, have a network



# Sourcing Affluent Clients

Most financial professionals concentrate efforts in two areas

	Top 10%	Next 25%	Bottom 65%
Client Referrals	74.3%	91.6%	93.5%
Professional Referrals	84.3%	70.6%	36.4%
Joint Ventures	32.9%	41.3%	20.2%
Seminars (invite only)	17.1%	12.6%	19.5%
Seminars (public)	11.4%	7.7%	14.5%
Other*	<8%	<6%	<4%

\* Including PR, advertising, direct mail, cold calling

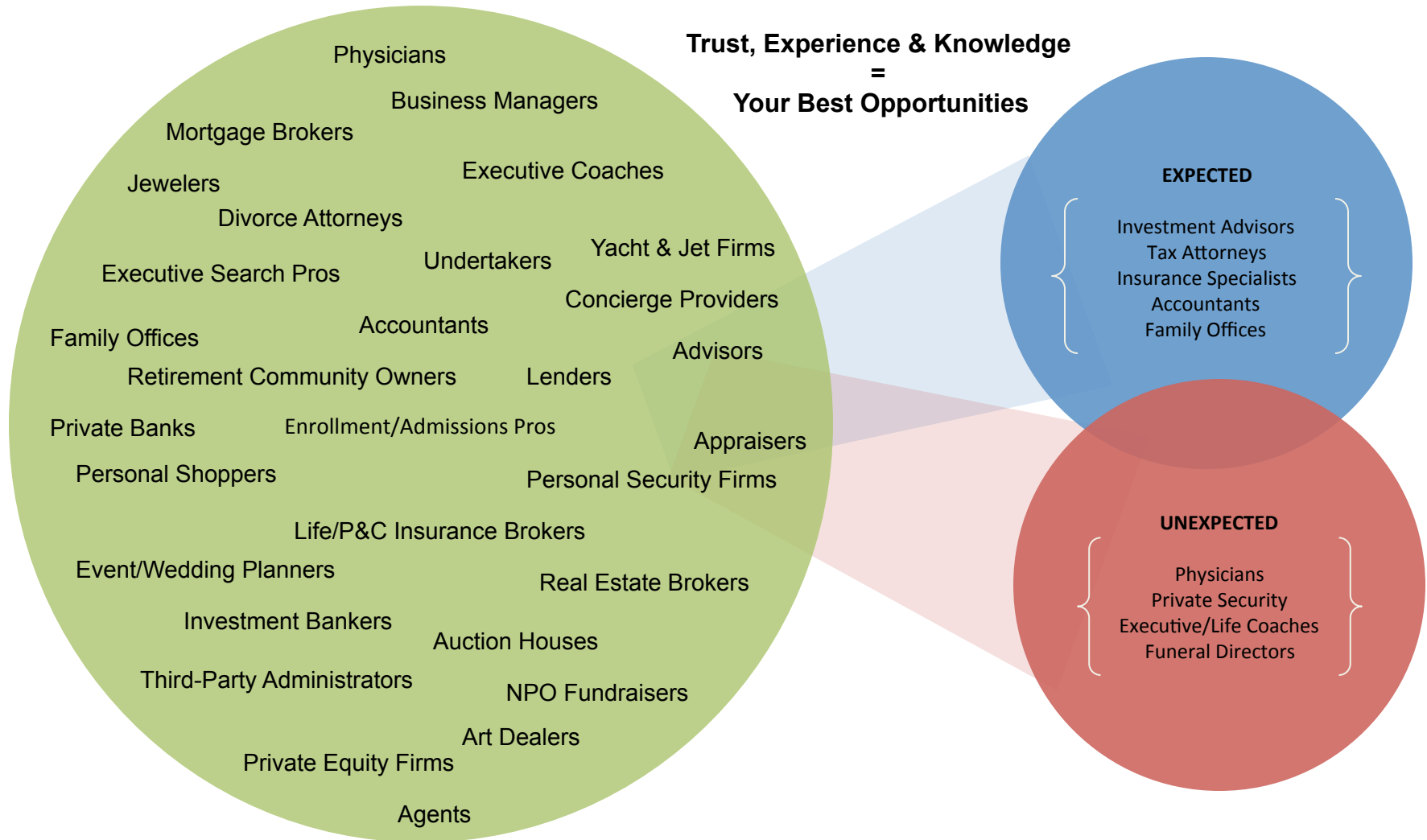
## Source of Best 5 Clients in Last 2 Years

Past experience is no indication of current efforts

	Top 10%	Next 25%	Bottom 65%
Client Referrals	2.9%	4.2%	15.4%
Professional Referrals	80.0%	86.7%	81.7%
Joint Ventures	17.1%	9.1%	2.9%

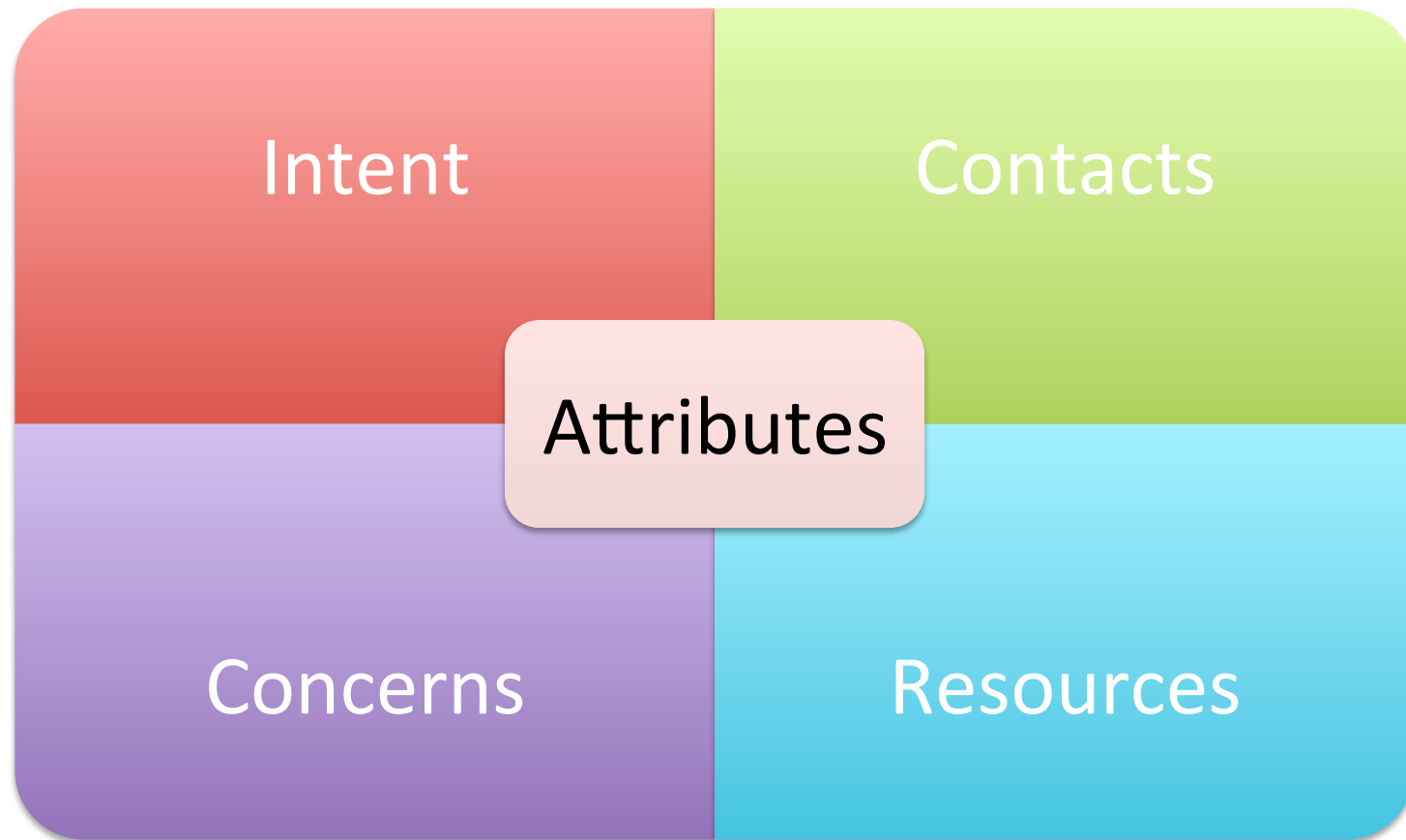
# Virtually Limitless Possibilities

Professions that complement yours create essential partnerships



# Profiling the Professionals

Five areas are sufficient to shape a partnership blueprint



Thank You!!

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