

**NBDC consultant
helps small business
owners with
exit strategies**



What do creating new businesses and retaining existing businesses have in common? Each is part of a solution that is going to be required to sustain and grow Nebraska's small business economy—and neither is able to address the state's business needs alone.

A 2008 survey of entrepreneurs and business owners by the Gallup organization forecasts that up to 52% or 83,000 existing employer business owners will leave their businesses within ten years; approximately 30% or 48,000 plan to leave in five years or less. Additional third party research suggests that, for a variety of reasons, only one in three new businesses that provide employment are still operational after ten years.

It became clear to consultants at the Nebraska Business Development Center (NBDC) that the energy spent to create new business must be blended with greater efforts to keep and strengthen existing businesses. To that end, NBDC launched a new, statewide initiative to provide business owners with comprehensive business transition assistance.

In the past, helping someone sell their business or transition it to a new genera-

tion has taken a back seat to new business development, says Odee Ingersoll, director of the NBDC center at the University of Nebraska at Kearney. If Nebraska is going to stabilize our small business economy even grow it we must significantly increase our efforts to keep successful businesses in their community. When we do, we keep the jobs they create, the tax base they provide, and the quality of life they offer to area residents.

Ingersoll was responsible for the creation of the new NBDC Business Transition Planning and Valuation Program. A certified Economic Development Financial Professional and a member of the Institute of Business Appraisers and the National Association of Certified Valuation Analysts, he has been consulting small businesses as a center director for NBDC for the past eight years.

Ingersoll has also personally experienced the issues he now addresses in seminars across the state. A small business owner himself, he guided his family business through a generational transfer, restructured the business until it was the leader in its market, and then sold it. In the process, he discovered a program targeted to businesses that sell for 10-20 million dollars and felt it could be scaled to meet

the needs of much smaller businesses. According to Ingersoll, the program could not only increase an owner's odds of successfully transitioning the business to a new owner, but could actually improve the total compensation the owner received.

The restructured program was launched by NBDC statewide in October.

This is an exciting opportunity for Nebraska business owners and for the communities who need to keep these businesses operational and in place, says Ingersoll. It offers a completely different set of business transition tools that I have not seen used to help small business before."

The fee-based program is available at all seven NBDC centers throughout the state. It uses the owner's existing professionals and offers support from the NBDC counselors throughout. NBDC will also work with the buyer to prepare a business plan, financial forecasts and provide a loan package to fund the purchase.

In late October, a statewide webinar led by Ingersoll was presented to up to 100 lenders, chambers, economic development professionals and business owners across the state. The webinar, the first in a series to be offered by NBDC through February, 2009, featured University of Nebraska Vice President Pete Kotsiopulos and NBDC directors from Wayne State College and Chadron State College. For more information, call 308-865-8429 or go to www.nebraskaexitplan.com.