
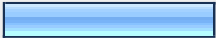
















# The Bigelow Forum Confidential Survey

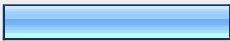

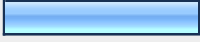

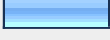
1. How would you describe your advisory role?			Response Percent	Response Count
Accountant			4.9%	3
Corporate Attorney			23.0%	14
Estate Attorney			1.6%	1
<b>Wealth Advisor</b>			<b>31.1%</b>	19
Banker			8.2%	5
Board Member			9.8%	6
Insurance Advisor			1.6%	1
Consultant			8.2%	5
Other (please specify)			11.5%	7
			<b>answered question</b>	<b>61</b>
			<b>skipped question</b>	<b>0</b>

2. What part of your personal practice is directed to active business owner-managers (as differentiated e.g. from executives at a public company)?			Response Percent	Response Count
under 25%			6.6%	4
25%			14.8%	9
<b>50%</b>			<b>27.9%</b>	17
<b>75%</b>			<b>27.9%</b>	17
100%			23.0%	14
			<b>answered question</b>	<b>61</b>
			<b>skipped question</b>	<b>0</b>

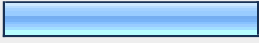
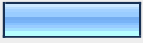

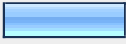


**3. Do you expect your revenue from active owner-manager clientele to increase or decrease in the next five years?**

		Response Percent	Response Count
Increase		90.2%	55
Decrease		9.8%	6
<i>answered question</i>			<b>61</b>
<i>skipped question</i>			<b>0</b>



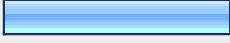
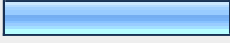

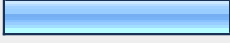
**4. By what percentage?**

		Response Percent	Response Count
under 25%		24.6%	15
25%		36.1%	22
50%		21.3%	13
75%		6.6%	4
100%		11.5%	7
<i>answered question</i>			<b>61</b>
<i>skipped question</i>			<b>0</b>

**5. How many of your owner-manager clients have a written strategic plan for their business?**

		Response Percent	Response Count
under 25%		27.9%	17
25%		14.8%	9
50%		9.8%	6
75%		13.1%	8
100%		4.9%	3
<b>I don't know</b>		<b>29.5%</b>	<b>18</b>
<b><i>answered question</i></b>			<b>61</b>
<b><i>skipped question</i></b>			<b>0</b>

**6. How many owner-managed clients struggle with formal governance issues?**

		Response Percent	Response Count
under 25%		8.2%	5
25%		9.8%	6
<b>50%</b>		<b>24.6%</b>	<b>15</b>
<b>75%</b>		<b>24.6%</b>	<b>15</b>
100%		8.2%	5
<b>I don't know</b>		<b>24.6%</b>	<b>15</b>
<b><i>answered question</i></b>			<b>61</b>
<b><i>skipped question</i></b>			<b>0</b>

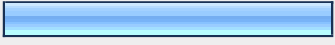
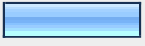
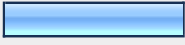
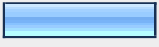


**7. How many owner-managed clients have an active Board of Advisors or Board of Directors?**

		Response Percent	Response Count
under 25%		19.7%	12
25%		13.1%	8
50%		19.7%	12
75%		19.7%	12
100%		14.8%	9
I don't know		13.1%	8
<b>answered question</b>			<b>61</b>
<b>skipped question</b>			<b>0</b>



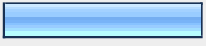
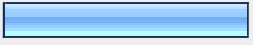
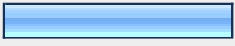
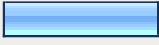
**8. How many of your owner-manager clients know (or think that they know) the fair market value of their business?**




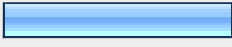

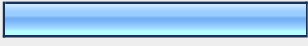
		Response Percent	Response Count
under 25%		19.7%	12
25%		13.1%	8
50%		19.7%	12
75%		27.9%	17
100%		8.2%	5
I don't know		11.5%	7
<b>answered question</b>			<b>61</b>
<b>skipped question</b>			<b>0</b>

**9. How many of your private company clients have buy-sell or other ownership transfer plans?**

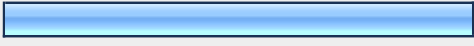

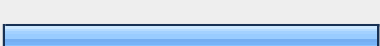
		Response Percent	Response Count
under 25%		36.1%	22
25%		14.8%	9
50%		19.7%	12
75%		16.4%	10
100%		3.3%	2
I don't know		9.8%	6
		<b>answered question</b>	<b>61</b>
		<b>skipped question</b>	<b>0</b>




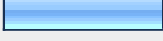


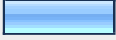
**10. How many intend to transition ownership of their business in the next five years?**

		Response Percent	Response Count
under 10%		3.3%	2
10%		6.7%	4
25%		21.7%	13
50%		26.7%	16
more than 50%		25.0%	15
I don't know		16.7%	10
		<b>answered question</b>	<b>60</b>
		<b>skipped question</b>	<b>1</b>

11. How many of your owner-manager clients have a written estate plan?			Response Percent	Response Count
under 25%			6.7%	4
25%			6.7%	4
50%			10.0%	6
75%			25.0%	15
100%			18.3%	11
I don't know			33.3%	20
			<b>answered question</b>	<b>60</b>
			<b>skipped question</b>	<b>1</b>

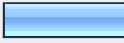
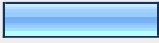

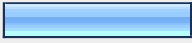
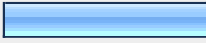
12. What number of client companies that you advised were sold or recapitalized with a change in the majority shareholder during the last five years?		Response Count
		56
		<b>answered question</b>
		<b>56</b>
		<b>skipped question</b>
		<b>5</b>

13. Were you involved in those value-capturing events?			Response Percent	Response Count
Yes, intimately			51.8%	29
No, not at all			7.1%	4
Yes, but not as much as I would have liked			41.1%	23
			<b>answered question</b>	<b>56</b>
			<b>skipped question</b>	<b>5</b>

14. Who do you think is your owner-manager clients' most trusted advisor?			Response Percent	Response Count
Spouse			6.9%	4
Parent			0.0%	0
Corporate Attorney			19.0%	11
Estate Attorney			1.7%	1
Accountant			17.2%	10
Wealth Advisor			1.7%	1
<b>Too varied to say</b>			<b>41.4%</b>	<b>24</b>
Other (please specify)			12.1%	7
		<b>answered question</b>		<b>58</b>
		<b>skipped question</b>		<b>3</b>

15. What pre-occupying personal concerns have your owner-manager clients shared with you? Check all that apply.			Response Percent	Response Count
<b>Business Transition</b>			<b>87.7%</b>	<b>50</b>
Health			33.3%	19
Family Issues			61.4%	35
Philanthropy			31.6%	18
Planning for Retirement			54.4%	31
Other (please specify)			14.0%	8
		<b>answered question</b>		<b>57</b>
		<b>skipped question</b>		<b>4</b>

**16. As your owner-manager clients approach retirement age, how are they defining a happy retirement?**

		Response Percent	Response Count
Stay in Place		13.0%	7
Move on to a New Business		16.7%	9
<b>Focus on Family</b>		<b>27.8%</b>	15
Philanthropy & Volunteerism		20.4%	11
Travel and Enjoy the Good Life		22.2%	12
		<b>answered question</b>	<b>54</b>
		<b>skipped question</b>	<b>7</b>

**17. What is the single most important piece of advice that you give to owner-manager clients that you wish they would follow?**

		Response Count
		54
		<b>answered question</b>
		<b>54</b>
		<b>skipped question</b>
		<b>7</b>

**18. Speaking personally, what one or two characteristics do you have that you believe most importantly allow you to be a successful advisor to owner-managers (compared to non owners)?**

		Response Count
		52
		<b>answered question</b>
		<b>52</b>
		<b>skipped question</b>
		<b>9</b>



**19. Please rate the following characteristics according to their importance (1 being least important and 5 being most important) in being a successful advisor to owner-managers:**

	<b>1 Least Important</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5 Most Important</b>	<b>Rating Average</b>	<b>Response Count</b>
Education	7.0% (4)	17.5% (10)	29.8% (17)	<b>36.8% (21)</b>	8.8% (5)	3.23	57
Name/Reputation of the Firm that you represent	1.8% (1)	14.0% (8)	28.1% (16)	<b>38.6% (22)</b>	17.5% (10)	3.56	57
Technical expertise	0.0% (0)	3.5% (2)	15.8% (9)	<b>56.1% (32)</b>	24.6% (14)	4.02	57
Professional Experience	0.0% (0)	0.0% (0)	1.8% (1)	24.6% (14)	<b>73.7% (42)</b>	4.72	57
Who You Know	3.5% (2)	17.5% (10)	31.6% (18)	<b>40.4% (23)</b>	7.0% (4)	3.30	57
Family Background/Upbringing	<b>33.3% (19)</b>	26.3% (15)	29.8% (17)	10.5% (6)	0.0% (0)	2.18	57
Listening Skills	0.0% (0)	0.0% (0)	0.0% (0)	17.5% (10)	<b>82.5% (47)</b>	4.82	57
Ability to Empathize	1.8% (1)	5.5% (3)	14.5% (8)	38.2% (21)	<b>40.0% (22)</b>	4.09	55
Ability to Become a Social Friend	21.1% (12)	29.8% (17)	<b>38.6% (22)</b>	7.0% (4)	3.5% (2)	2.42	57
Source of Your Referral to Them	9.1% (5)	9.1% (5)	27.3% (15)	<b>45.5% (25)</b>	9.1% (5)	3.36	55
Ability to Develop Relationships	1.8% (1)	1.8% (1)	8.8% (5)	42.1% (24)	<b>45.6% (26)</b>	4.28	57
	<b>answered question</b>						<b>57</b>
	<b>skipped question</b>						<b>4</b>

20. Please list the top three strategic issues that your owner-manager clients will be grappling with over the next few years?		Response Count
		55
	<i>answered question</i>	55
	<i>skipped question</i>	6

21. What is the single most important topic or question that you would like to see covered at this owner-manager focused Forum?		Response Count
		50
	<i>answered question</i>	50
	<i>skipped question</i>	11

22. Other Comments:		Response Count
		19
	<i>answered question</i>	19
	<i>skipped question</i>	42

## 17) What is the single most important piece of advice that you give to owner-manager clients that you wish they would follow?

- Understand that the transaction from an active business owner to actually selling one's business is a process as opposed to a single event.
- Generate maximum free cash flow after funding capital expenditures.
- Know what you can control.
- Figure out what they want to do next to have a fulfilling life - playing golf will get old.
- To diversify and know when it is time to take a piece off the table!
- Observing proper corporate governance processes and procedures, including corporate record keeping, formal financial controls and other formalities, as a means of enhancing value in an exit transaction.
- Listen to and consider your wealth advisor's advice.
- Timing.
- The transition from building a business to a portfolio of securities that you only have marginal control over is more difficult than you think.
- Have a succession plan (either sell or keep it in the family) and review it often.
- Seek skilled advisors to work your company issues.
- Communicate! Both down to managers and up to the Board.
- Know what your business is worth.
- Aim before you shoot!
- Be sure to hire a strong CFO who understands the shareholder viewpoint.
- Act like an owner and make the company a true asset.
- Consider your customers (clients) as partners in helping them solve their business problems.
- Actively listen to the external environment as well as inside your company.
- Prepare the business to operate without them.
- Know thyself.
- Be realistic: about their team and about the value of their business.
- Start to think through, develop, and at the appropriate time, begin to implement a succession plan for ownership and management of your business. Address hard issues (such as buy-sell and governance conflicts) up front.
- Hire good advisors!
- Call your attorney more often to discuss issues before you act on them.
- Diversify from your core holding – the business.
- You are not immortal.
- To think about and then formulate a transition plan before they decide to step away from the business. As a wealth advisor, I want them to think about this next chapter in their lives not only from a wealth management perspective, but also from a life perspective.
- To think about the future in terms of wealth transfer, liquidity, business risk, and competition WAY before it seems timely.
- Personally & business: focus exclusively on what they are passionate about... and thus excellent at - it continues to pay dividends for me. Intrinsically / Extrinsically #2: Biz dev partnerships. Most internet clients believe they too will be a major destination site, but in reality they are a major new feature of a current destination site... I predict a massive trend in web 3.0 rollups.
- Plan ahead; try to approach issues from a true business perspective, recognizing the possible influence of emotional / family factors.
- Evaluate the ownership structure and spend some time planning for the business succession.

*Continued. . .*

**17) What is the single most important piece of advice that you give to owner-manager clients that you wish they would follow?**

- Share your business successes and failures with us more openly; those data points help us shape your investments appropriately.
- Manage their business as an asset not as a good job.
- Do things the right way, not the most expedient way.
- Hire and retain a superior management team.
- Very seriously consider offers that come to you. Don't get too greedy. They are much easier to conclude than sales initiated by yourself.
- Think and plan beyond the current business cycle with a focus on how medium-term steps align with long-term strategies and objectives.
- Sit and write down for yourself the most important things you want to achieve during your lifetime. Then let's talk about their priority.
- Continue to live life with purpose, and remember the values that took you to this place of success can and should be used to continue a fulfilling and rewarding retirement.
- Take time to truly understand risk tolerance for investments beyond their business.
- Carefully establish a wealth management plan, rather than aggressively invest in the growth of their portfolio through speculative investments.
- Build a solid team of advisors inside and outside the company.
- Recognize the need to protect family and business from illiquidity.
- Run business with an objective of selling - not just to maximize cash flow / minimize taxes.
- Get a good investment banker like Bigelow!
- Create a shareholders' agreement; review and update your shareholders' agreement.
- To develop a succession plan long before any succession occurs.
- Trust your instincts and focus on the people involved, not the promises.
- Don't forget about planning for your personal finances in addition to your business finances.
- Prepare a business plan including an exit / retirement plan.
- Tie the timing of the sale of the business not to your personal life cycle (health, age, etc.) but to the life cycle of the business and its industry.
- Develop a rational plan for the future, and keep it current, not static.

**18) Speaking personally, what one or two characteristics do you have that you believe most importantly allow you to be a successful advisor to owner-managers (compared to non owners)?**

- I believe that I can filter information from all of the noise and help my clients stay focused on the primary objectives.
- Bluntly honest with owners.
- Ability to listen, independent sounding board.
- Understanding of their situation, empathy, and realization of the fact that it's more than the money that is important in life.
- I am objective to the situation - and since this is an anonymous survey, I have excellent judgment and am very good at what I do.
- Understanding and experience in dealing with public company acquisitions as well as private company deals allows me to "see both sides" and provide "balanced" advice to owner-managers seeking to maximize value and actually complete a transaction.
- Perspective, experience.
- Listen and introduce professionals that will assist.
- The ability to effectively communicate (listen!) and manage expectations for this transition. Educating them on what we do and why they cannot do it themselves as well.
- The ability to see the forest through the trees. Business owners can often get bogged down with family issues and lose sight of the business issues they are facing and often can't put together a succession plan. In addition, as advisors, we work with all types of companies and it is these experiences that help us work with each of them better. Owner-managers often feel like they are alone and are the first ones to experience a problem. As we all know, they are not alone and having good advisors around them enables them to be able to overcome the issues they are facing and deal with them head-on.
- Varied experience and business background.
- Extensive experience in diverse industries, investing in and advising private companies.
- Experience of knowing that each case is unique and that I have a good understanding of the various "working parts" of a deal.
- 1.) I have spent 15 years in the trenches running businesses alongside three very different sets of owner-managers; 2.) I have been intimately involved with the successful sale of two owner-managed businesses and remained close with both the previous owners and the companies in order to understand how life after the sale met the expectations of each party to the transaction.
- Bring new ideas to the company. Willingness to be frank and objective when necessary i.e. "tell it like it is."
- Scars and humility.
- 1.) Recognition that family businesses truly have a long-term (sometimes generational) focus; 2.) Despite short-term profit enhancing temptations, constantly push toward attainment of long-term business goals.
- Thick skinned and patient.
- Business knowledge, understanding of how to build value.
- Good listener, build peer relationship (not subordinate).
- Willingness to take educated risks. Surround yourself with good advisors and managers and listen to their advice / delegate to them.
- I am trustworthy, smart and very personable.
- My law degree and my experience in practicing corporate law.

*Continued. . .*

**18) Speaking personally, what one or two characteristics do you have that you believe most importantly allow you to be a successful advisor to owner-managers (compared to non owners)?**

- The view of the bigger picture.
- My advice is honest & straightforward, based on experience.
- Broad business experience and the ability to develop sufficient trust to give candid advice.
- The most important characteristic is to listen.
- People trust me and I have worked with entrepreneurs for 22 years and can impart anecdotal experiences and connect them to people that can help.
- I listen and listen again, and I care.
- Access to experience and resources to solve any succession issue or question.
- Impartial ability to tailor / customize.
- Disciplined and experienced.
- Integrity & provide practical, business oriented legal advice.
- Experience, confidence.
- Ability to grasp future trends and how they may impact the business. Ability to see the forest beyond the trees and provide a new context for planning and development.
- A good listener with access to an expansive and diverse pool of owner-managers.
- 1) I really care and want to help; 2) I will spend whatever time it takes to get it right; 3.) Making more money for me is a secondary goal.
- Excellent listener and ability to help them clarify and define their goals.
- Ability to listen. Facilitate a look beyond business ownership in terms of goals and objectives.
- Broad corporate law experience, tied to deep tax understanding.
- Broad experience and ability to instigate a client / business owner to consider issues he / she wouldn't normally think of or tries to avoid.
- Experience working with many owner-managers, objectivity and ability to listen.
- Substantive knowledge and ability to listen.
- Good judgment, ability to listen.
- Careful listening and having a multi-disciplinary team approach in serving owner-managed clients.
- I listen to people and I can interpret what they really mean.
- Experience, resources.
- Conveying confidence to your client that you possess the skills to provide appropriate advice.
- Patience and the ability to explain issues in ways that the owner can understand but not feel talked down to.
- Honesty and experience.
- I listen and have a wide variety of experience.

## **20) Please list the top three strategic issues that your owner-manager clients will be grappling with over the next few years?**

- Increasing competition, transition to electronic communications & marketing, strengthening their brand and market position.
- 1) What to do after sale of business; 2) Who to select to manage funds; 3) Where to go fishing.
- Emerging technologies, balancing personal and business interests, and access to capital.
- Dealing with retirement rather than work, wealth transfer, and transitioning business (giving up control).
- Where to take the business if they continue to run it; whether to sell, do nothing or prepare the next generation to take over. How to prepare for the next phase of their lives.
- Succession, economy, and planning for growth.
- Preparing the company for a sale or recapitalization, maximizing value in a transaction and scaling down thereafter.
- The economy, ownership, succession & taxes.
- Economy, competition, and flexibility.
- Understanding the long-term ramifications of wealth, what to do with their time (feeling insufficient), and having family / friends treat them differently.
- 1) Succession planning to the next generation; 2) Business/economic concerns; 3) Ability to retain, incentivize and reward key non-owner managers.
- Growth, people & finance.
- How to grow the top line profitably, whether to make an acquisition, and timing to sell the business.
- When to sell, who is the best purchaser, and what is the right price?
- Growing in a mature (or shrinking) market, attracting and retaining talented managers, and continuing to run the business when you would rather be doing something else.
- Attracting and keeping talented management, planning and executing a balanced growth plan, identifying and managing risk & developing a successful strategy to deal with global competition.
- Value, market changes & demographics.
- 1) Current top level managers' development of the next lower tier of management and the top managers' ability to let go of much direct supervision; 2) Management and integration of an international operation; 3) New product development.
- Growth – scaling the business to match the growth planning for exit.
- Ownership transition, increased complexity of constituents & increased taxation.
- Transition / sale of business.
- Retirement (do I have enough), economic issues as they relate to the business and transition issues.
- Tighter credit, business transition & realizing top value in this market.
- Generational transition, competition / globalization and cost containment.
- Grow or sell the business, timing of expansion, and need for additional management expertise.
- Valuing the business, generational transition issues & selling the business.
- From a wealth advisor's perspective: transition strategy, changing tax landscape & investment strategy in a changing global investment environment.
- Increased global competition, tighter credit / tougher capital formation & higher taxes.
- When to sell / partner, how to monetize the Internet and how to replace their 3 largest revenue streams / clients in the next 3 years.

*Continued. . .*

**20) Please list the top three strategic issues that your owner-manager clients will be grappling with over the next few years?**

- Changes to the underlying business or market, staying “fresh” and identifying and retaining talent.
- Tax strategies, business viability during the economic downturn & return on investments.
- Benefit costs, attracting talent & profitability.
- I’m living longer - when do I “retire?” Is my business global enough? Should it be global? Do my employees think or act like owners?
- Sustainability of the business without them and transferability of the business without them.
- Dealing with increasing fuel and commodity costs, maintaining revenue growth and profitability, and dealing with changes in control / transition.
- Growing their business, succession planning & developing a top management team.
- 1) Transition of business to other ownership; 2) Balancing work with home life in later years; 3) Estate planning with major assets tied up in business.
- Surging commodity costs, altered debt markets and industry consolidation.
- 1) Keeping talent that looks at the medium-term; 2) Setting a strategic direction for the company; 3) Best way to monitor the short and long-term results.
- When is the best time to sell? Tax issues on sale and management succession.
- Wealth preservation, generational planning and philanthropy.
- China - as a competitive threat and market opportunity; succession - passing control or new liquidity effectively to next generation; innovation - keeping their company relevant in their markets going forward.
- Managing capital, appropriate business strategy and managing taxes.
- Family or non-family succession, access to global markets and availability of human capital.
- Growing the business, succession planning and exit strategies.
- How to improve the strategic positioning of the company, how to achieve a low cost, high value-added business model and when to sell.
- It varies. Maintaining profitability in the face of global competition, high taxes and high benefits costs; remaining independent; attracting talent to the workplace.
- Succession, globalization and economic concerns.
- Valuation of business, transition to new management and family.
- Ownership transition, estate planning and retirement planning.
- Too many to list.
- Succession planning - timing and preparing for a possible sale - dealing with competitors who are merging and becoming stronger with more resources.
- Revenue generation, succession planning and actual transition.
- Pricing, people and new business models.