

EXIT PLANNING INSTITUTE RELEASES NATIONAL SURVEY RESULTS AT ANNUAL STATE OF THE INSTITUTE

Findings impact \$14 trillion business transition opportunity

CLEVELAND, OH, USA, March 5, 2024 /EINPresswire.com/ -- At the [Exit Planning Institute's](#) (EPI) annual [State of the Institute Address](#),



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EPI President Scott Snider

President Scott Snider unveiled the results of the organization's National State of Owner Readiness™ Survey—the first national study since 2013 to measure owner readiness in exiting private businesses and transitioning them to new ownership. Over 1,200 business owners participated in the study.

"The [2023 National State of Owner Readiness Report](#) reveals vast improvements in the readiness of small business owners as they prepare to exit their companies. Additionally, the survey showed significant strides forward

in exit planning education and the perceived value of an exit planning team," says Snider. "The data shows 73% of business owners plan to exit their companies in the next 10 years, accounting for a \$14 trillion opportunity. Whether you're a business owner or an advisor, the data in the report has broad implications for small and medium-market businesses nationwide."

The report can be accessed at [2023OwnerReadiness.com](#).

Key Observations

Snider, in his presentation at the annual State of the Institute Address, identified four key observations from the National State of Owner Readiness Survey.

1. Investment in education is a critical path to success.
2. An exit strategy is a priority for younger business owners.
3. There has been a significant shift in family business transitions.
4. The \$10 trillion opportunity is now a \$14 trillion opportunity.

"What we've seen over the course of this ten-year journey is market change," says Snider. "Exit planning is hotter than ever been, due to the pandemic and the shifting age of owners."

Key Findings

The first National State of Owner Readiness Survey in 2013 showed a lack of planning and overall communication on exit strategy, as business owners had not yet considered personal planning for their life after exit. The 2023 results show vast improvement in awareness, education and implementation of exit planning.

- 69% of business owners identified exit strategy on their priority list, up from 6% in 2013.
- 68% of business owners have formal exit planning education, up from 35% in 2013.
- 60% of first-generation business owners favor an internal exit, while 82% of second-generation business owners favor an internal exit.
- 70% of business owners said they were aware of all their exit options, up from 34% in 2013.
- Younger owners—Millennials and those in Generation X—view exit strategy as a priority, with 56% of Millennial owners having written personal plans, 55% written company plans, and 68% written personal financial plans.
- 73% of privately held companies in the U.S. plan to transition within the next 10 years, equaling a \$14 trillion transfer opportunity.
- In 2023, business owners believe their financial advisor is their most trusted advisor, while an accountant was the most trusted advisor in 2013.

Education Fundamental to Exit Planning

Education about how to successfully exit your company is vital to creating significant companies that are both aligned to an owner's goals, while remaining highly valued and transferrable at any time. In 2023, 85% of owners who believed themselves to be best-in-class or better in exit planning had sought education, and 84% received outside advice.

"Now we can roll up our sleeves and work with owners and collaborate in these teams," says Snider. "United in purpose, driven by expertise, an exit planner is more than a consultant, they are the orchestrators of significance."

About the National State of Owner Readiness Survey

The National State of Owner Readiness Survey assessed:

- Specific trends of both successful and unsuccessful business transitions
- Factors that impact the valuation of companies prior to and following transition to new ownership
- Insights that current owners can use to enhance their exit strategy
- Impact of COVID-19 on owner readiness
- Differences in national owner readiness over the last 10 years

About EPI

The Exit Planning Institute® was founded in 2005, and the Certified Exit Planning Advisor® (CEPA)

credentialing program was launched in 2007. The CEPA® credential relates to the technical skills of advisors who work with business owners. EPI is committed to providing the best exit planning content in the industry, ongoing practice support for advisors, and connectivity to business

owners. CEPA is the fastest-growing and most widely accepted exit planning credential in the world.

Katie Robinson
Exit Planning Institute
+1 216-712-4244
[email us here](#)

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