THE PSYCHOLOGY OF TRANSITION
BEFORE THE FINALITY OF THE TRANSACTION
Wendy Dickinson & Jay Cowan, presenters
Here is what we know:

4 out of 5 deals fail to close
75% of closed deals fail to integrate
$10T in assets will transfer over the next 10-15 years
12 million companies hold that $10T in assets
63% of businesses to be sold to fund 60-100% retirement

The challenge is to do everything YOU can to ensure that your client falls into that rarified 20%.
BIMBO

The Business Is My Baby Owner.... sound familiar?
G.I.V.E.

GRANDIOSE
No data to back this up.

INFLATED
Wishful thinking.

VALUATION
Anecdotal “evidence”.

EXPECTATIONS
Based on hope.
Balance

- Assumptions
- Beliefs
- Blind spots
- Expectations
- Experiences
- Habits
- Interpretations

How do you convert owner liabilities to create owner assets?
VALUATION EQUATIONS

FACTORS WORKING AGAINST THE DEAL

MIXED/NEUTRAL

FACTORS WORKING IN FAVOR OF THE DEAL

ASCEND TO SELL LLC™
Values are an essential part of your client’s identity. Identity is fluid. It evolves.

When will you ask about your client’s values & vision?

Vision: it motivates, informs, and generates behaviors. How do you uncover your client’s vision?
Powerful Questions

What went right?
What was most frustrating?
Were there any assumptions that proved to be false?
How could planning be improved?
How could communications be improved?
What surprised you?

This is a new process for your clients. The owner has the opportunity to write their next chapter. This transaction will be a part of their professional history.
Drivers of Behavior*

S     status
C     certainty
A     autonomy
R     relatedness
F     fairness

*Your Brain At Work, by David Rock
IDENTITY = CORE + RELATIONAL

IDENTITY consists of 2 parts: core & relational. Any time a human brain feels threatened, the brain reacts. When identity is challenged, or compromised, our brains know it!

CORE Identity: this part of identity finds meaning for, and in, our existence.*

1. Beliefs
2. Rituals
3. Allegiances
4. Values
5. Emotionally Meaningful Experiences

* Negotiating the Non-negotiable, by Daniel Shapiro
RELATIONAL IDENTITY

Relational identity: this part of identity finds meaning in coexistence and informs our relationships with those around us.*

*Negotiating The Non-Negotiable, by Daniel Shapiro
RULES:
1. The person with the money is the buyer.
2. The buyer chooses the seller(s).
3. The buyer can offer the seller(s) any amount of money.
4. If the offer is accepted, the buyer may keep the remainder of the money.
5. If the seller refuses the offer, the money is returned to the bank.
Accountability Partners

Utilize the relational identity. Design a process for ownership within this relationship. Do you have someone who could act as an accountability partner for your client? (OTHER THAN YOU!)

An Accountability Partner:
Is, or was, a business owner.
Knows your client’s goals & supports the goals.
Will listen & act as a neutral 3rd party.
Will remind your client of the vision, values, and desired outcome.
EXECUTION & IMPLEMENTATION PLAN

Begin with Vision & Values.

Complete and discuss the Factor Equation Scale.

Reflect on each stage of the deal - as they happen. Gather learnings & takeaways. Apply those to the next stage tasks.

Assign your client an accountability partner. Monitor outcomes.
Jay Cowan grew up in Richmond, and shortly after graduating from the U of R, started his career as a life insurance agent for New England Mutual. While working with business owners in the corporate insurance and benefits market, Jay started two businesses of his own, culminating with his current - Business Owner Exit Strategies, LLC, in 2005 to provide comprehensive and holistic fee-only exit planning.

Wendy Dickinson, MEd, ACC
Wendy is the founder of Ascend To Sell. She coaches business owners on the psychology of transitions, specifically, mergers, acquisitions, and family succession. Raised with small business in her blood, Wendy is from a family of entrepreneurs; she knows the advantages of neuroscience and psychology on the implementation & execution of a strategy for transition.