



HOW TO TALK TO BUSINESS OWNERS

Welcome to the Advanced Markets Minute in both print and audio form. Today's article is called "How to Talk to Business Owners."

Many producers want to work with business owners but don't know how to get started in that market. A common question we get in Advanced Markets is, "What do I say to a business owner?"

On the one hand, while they may be business owners, they are also people. So why not say to them whatever you would say to anyone else? But to look more deeply at it, maybe what you say to them isn't the issue. Frankly the odds of finding just the right words in the right order that would be the perfect opening sentence are incredibly long. What about thinking more in terms of what the business owner can say to you?

Here's what I mean: maybe it is less in what you say than in what you ask. Maybe the discussion will be better if you ask good questions, and then listen to what the business owner says. Let's look at some examples.

When meeting a business owner, once that owner says what their business is, you could ask, "How did you get started in that business?" That question shows you are interested in their story, and your ability to listen to how it all began will pay dividends and set you apart from others more interested in themselves. Listen patiently—sometimes business owners like to tell you their WHOLE story!

If the business owner lets you know that family members are part of the business, you could ask, "Do you think you will transfer the business to a family member one day?"

The way they answer that question can tell you whether the owner has thought this through, whether major concerns about the transfer exist, and how far off in time a possible transfer may be.

That might lead to another question: "Once you transfer the business, would you stay in the business, retire, or do something else?" Their answer can give you insight into the level of passive income the owner will need in retirement. Depending on the answer, and your comfort level in taking the conversation further at that point, you may ask, "Will selling your business give you enough to generate the income you will need?" Many business owners do not have a good idea of the value of their business. If they're counting on the sale of the business to fund their retirement, but don't know the value of their business, they may be in for a rude surprise. This can lead to offering a business valuation—which we will discuss in more detail in our next article.

Call the Advanced Markets team at (402) 351-4287 if there's anything we can do to help.

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