

After retirement, what's next?

Map out your personal goals to achieve a fulfilling lifestyle after you exit the business. **Interviewed by Kristen Hampshire**

After dedicating years to growing and nurturing your business — more than half of your lifetime, in many cases — how do you step away from the 24/7 role of chief executive officer and back into just being “you”? Many business owners struggle to reclaim their identities after retirement.

“There is a very odd feeling when you wake up in the morning and you do not have anywhere to go for the first time,” says Joel Guth, an advisor with Citigroup Global Markets Inc.’s Family Office in Columbus.

“When you think about why you created the business and accumulated wealth, it probably was so you could live your lifestyle, support your family and have an impact on organizations that are important to you,” Guth says. “It’s important to consider what the next 20 to 30 years after retirement will be like without the business.”

While you’d probably shudder at the thought of running your business without a mission statement, have you adopted a family or personal mission statement? Have you already articulated what you want to accomplish separately from your business?

Smart Business discussed with Guth why planning the personal side of retirement is critical to a successful exit strategy.

What is the first issue you address with business owners who are planning retirement?

First, we address lifestyle. What kind of lifestyle do you want to have in terms of income? So much of your personal life is wrapped up in the financial side of the business: cars, travel and entertainment. When you recast your financial statements, both personal and for the business, how much income do you need to support your chosen lifestyle? Then, create a personal budget. What do you need to be happy, and do you already have adequate savings to sustain that level?

Does this affect how soon a business owner can retire?

Yes, if you are currently at a level that can



Joel J. Guth
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sustain the lifestyle you prefer, you have decisions to make. Would you like to maintain some involvement with the business, or do you want to sell it and walk away?

Your timeline for exiting the business dictates when you will need to begin the succession or merger and acquisition process. Ideally, you should plan three to five years in advance. Meaning that if you want to retire in 2009, you need to begin the succession/exit process now. Because the reality is that you’ll need at least 6 to 18 months to identify a new owner (if you sell), and this candidate will likely want you to stay in the business for 6 to 12 months while he or she transitions into your role. If you plan to pass the business to a family member, you must start developing a succession plan in terms of who will take over your daily responsibilities along with the most efficient manner to transfer ownership.

During this planning time, what should an owner be thinking about personally?

Everyone’s ideas for the perfect retirement are different. Maybe you will start a new venture, perhaps turning a passion into a new business. For example, one of our clients left his primary business to purchase and run an art gallery. Or perhaps

you’ll act as a mentor to younger business-people. Many retired executives get involved in charities.

We challenge clients to think about the next 5 to 10 years and outline their top two goals in each of the following areas: family, health, charity and community. Ultimately, you will experience a successful, fulfilling retirement if you get involved in a passion or pursuit after you exit the business.

Think about how much free time you have today, and what you choose to do with that time. Now, imagine that you have triple the amount of that time. Could you occupy it with what you do today? If not, how will you spend that time?

It’s not unusual for business owners to learn that they haven’t cultivated interests outside of their companies. The business is all-consuming and other outside interests go by the wayside. If this describes you, an important part of your retirement planning is to devise a strategic plan for what you want to accomplish outside of your business. And what are the initial steps to realize this vision?

Statistics have shown that without a motivating vision, when people quit working, their life expectancy decreases. We are living longer, and we are living healthier. After exiting a business, you must have fulfillment in the rest of your life, and you will need a plan to accomplish that.

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