

Media Clip

Publication: Sunday Telegraph
Date: 30 March 2008
Coverage: Sydney
Circulation: 671,500
Page/URL: 2

**Gen Y on the ball**

LESS than half the small business owners of Australia have an exit strategy in place to extract cash from their business when they retire and most simply intend to walk away, according to research by Commonwealth Bank Local Business Banking.

The report says that 60 per cent of business owners planning to close their doors are still actively re-investing profits back into their businesses, which would appear to be a waste of money because they are not even looking to recoup that investment by selling the business at any stage.

It is worst among business owners aged 60 or over, with one in four planning to close the business instead of sell it.

At the other end of the scale,

two-thirds of Generation Y owners have already made plans to sell their businesses outright.

Arnie Selvarajah, from Commonwealth Bank Local Business Banking, said: "It's alarming that so many small business owners are prepared to walk away from the businesses they've worked so hard to create, especially when they're still ploughing a significant amount of time and money back into them".

An issue for many owners is that their businesses are dependent on their personal presence, making them difficult to sell, he said, which is why owners need to plan ahead to put steps in place to make the businesses more saleable.