

Media Clip

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Lack of business exit planning a concern

LESS than half of Australian small business owners have a plan to realise the value they've built up in their businesses, according to a national report released by the Commonwealth Bank.

The Commonwealth Bank/investment trends local business owner report conducted with more than 734 businesses Australia-wide, shows that only 47 per cent of small business owners have an exit strategy, such as selling their business.

Of those with an exit plan, 22 per cent simply intend to close their doors and walk away.

Even more surprisingly, 60 per cent of business owners planning to close their doors are still actively rein-

vesting profits back into their businesses.

Half are also working more than 50 hours every week – 13 hours more than the national average of 36.9 hours.

General manager of Commonwealth Bank local business banking Arnie Selvarajah said that simply making a profit was not enough.

“An issue for many owners is that their businesses are dependant on their personal presence, making them difficult to sell,” he said.

“They should be putting systems in place so that others can reproduce their success and new owners can easily step into their shoes.”