



In 2008 Australia was just three years away from the biggest small business sell-off in the country's history as the first wave of baby boomers prepared to cash-in their decades of hard work for well-earned retirements.

But in September 2008, when the US government allowed the investment bank Lehman Brothers to go bankrupt, lighting the fuse for the Global Financial Crisis, all those well laid plans for life after work had to be put on hold as business owners were hit with a triple whammy: their business profits plunged, their superannuation reserves dived and the value of their businesses dropped.

Many simply put retirement on hold, but seven years later and with the economy recovering, albeit slowly but steadily, many are still behind the counters, in their offices, or hunched over spread sheets.

But the tidal wave of sales can't be held back forever. Fifty-thousand businesses are expected to change hands every year for the next decade in Australia with an estimated value of \$1.6 trillion dollars

Opinions differ, but the baby boomer generation roughly covers anyone born between 1946 and 1964, or to put it another way, anyone between aged between 51 and 69. It's this generation which controls 80 per cent of the spend in Australia, owns more than half of the country's businesses, and if stats are anything to go by, they are all about to retire, or are starting to seriously think about it.

Rod Russell from Savvy Business Sales in Mooloolaba says there was always going to be a glut in the market when the baby boomers tried to sell their businesses, but the GFC has compressed it into an even smaller time frame. "They are calling it a tsunami, and it's true," Russell says. "We feel people that are getting out sooner rather than later are very wise.

There are about 33,000 small businesses on the Sunshine Coast and 60 per cent of those are expected to change hands in the next five to 10 years," he says. "Those who get out in the short to medium term, can just about bank on, if they plan well, what they are going to get. But if they leave it for four to five years it's a massive question mark."

A report by the Australian Institute of Business Brokers (AIBB) has found 66 per cent of sales come about because owners want to retire, while another 18 per cent blame burnout. Combined, those figures point to a generational change in Australia's business future.

If this does happen, it will turn the Sunshine Coast market on its head. Traditionally the region has a shortage of businesses for sale and an oversupply of buyers. Russell says the transition to a buyer's market makes the timing all the more important for sellers.

"Pre-GFC prices will never happen again. We were getting up to multiples of four times the profits, now we get two to two-and-a-half times. So a business making \$250,000 then would get a million dollars, now it might get \$500,000-600,000."

Russell has these final words of warning for baby boomers that are not ready.

"Sellers need to prepare a succession plan as if they don't they will may struggle to achieve a fair price for their business and may have to close the doors at the end of the lease and walk away with nothing".

"There are about 33,000 small businesses on the Sunshine Coast and 60 per cent of those are expected to change hands in the next five to 10 years" Rod Russell.

A handwritten signature in black ink that reads "Rod Russell". The signature is written in a cursive style with a prominent loop for the letter 'R'. A horizontal line is drawn underneath the signature.