

Selling? There Is No Time Like the Present.

I am very fortunate to work with business owners across multiple industries, and I can assure you that no business owners are more connected to their clients than a family-owned insurance agency. Owners invest their careers in the personal work of creating relationships with clients and providing financial protection for all the things that are important to them. It's important and noble work.

It's no surprise that starting to think about selling, or transitioning out of, an insurance agency can be an intimidating, daunting thought. It's an intensely personal life's work.

It is important to note that agency owners who have thought about, or who are starting to think about, selling their agency are in the middle of what is an amazing time for transitioning. If you are one of these owners, here are things you need to know as you move your business into 2021.

First, if you are thinking about selling your agency, it's a seller's market.

As a business consultant and broker specializing in the Insurance Industry, I can tell you we have just had another month with a record number of closings – in just about every industry. There has never been a better time at least to consider what selling your agency could mean to you.

Second, the business brokerage market currently weighs heavily in favor of business owners seeking to sell. There are too few high-quality businesses for sale to meet buyer demands.

Third, overall, businesses that sold in the 2nd half of 2020 were valued at higher



multiples than at any other time in recent history. Contributing to this is the fact that interest rates remain at historically low levels, fueling increased buyer activity.

Finally, a significant Buyer-Borrower motivation is being provided by the Small Business Administration's resumption of borrower benefits under the COVID-driven federal funding Section 1112 of the CARES Act-March 2020. Buyers can have access to the opportunity to borrow and have loans forgiven.

If you are an agency owner contemplating the sale of your business, there is no better time than right now to get the homework done, and, as a professional insurance advisor, I would encourage you to connect with a professional broker to help you think through your options.

Please be aware of the friendly competitor who approaches you with an offer to help you transition out of the business! Frequently, there is another insurance agency owner who may be making an offer on your agency. And while the transition sounds simple and good for your clients, these situations should always be discussed with an outside resource.

Getting outside help to think through all the options is smart. After investing a lifetime in building relationships and your agency, make sure you have all the options for you, your family, your legacy, your perpetuation plan or anything else that is important to you.

You may feel too busy to think about what your agency might be worth right now. Maybe you do have a lot going on. Maybe you are a little worried about what your agency might actually be worth. Let's face it: The thought of transitioning away from your agency can be intimidating.

You owe it to yourself to see just what your agency is worth. I believe you might be surprised. Whether you decide to sell your agency outright and take your cash to the bank, sell a portion of the agency, or

find a business partner and create more upside, you should know your options.

Let's face it: 2020 was a tough year for everyone for a number of reasons. Knowing that you've created a successful agency in one of today's hottest industries – insurance – it might be time to take advantage of all the hard work.



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