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Suburban West REALTORS® presented scholarships to three students



Huntingdon County REALTORS® pitched in to clean up after the local Halloween Parade



Centre County REALTORS® won an award for the greatest contribution to the State College Area Food Bank



Bradford Sullivan County REALTORS® collected donations for the local food pantries



## Want to Retire? Develop an Exit Strategy While You Can

BY BOB CORCORAN

Imagine for just a minute that the year is 2020 — the year you'll be retiring from real estate. (That might sound like long time but it's only 12 years.)

The clock strikes 5 p.m. and you're out the door — forever.

Now ask yourself this question: Will your retirement be filled with good times and no worries? That depends entirely on how well you've planned leading up to 2020.

You know the saying, "Hindsight is 2020." I'd like to add a new saying that relates to retirement: "Foresight needs to be 2020."

I've known many real estate agents and brokers who've simply walked out the door with zero thought about retirement. And you know what? They left one heck of a pile of money on the table when they did.

Why? Because, in essence, they've built a business. All those contacts, former clients and potential buyers and sellers they met over the years, are worth money.

Now is the time for you to begin to create a business that's worth a lot of money when you retire. It's time to prepare your own "house" for that big sale.

In other words, much of the exit strategy is getting your business in tip-top shape with systems today so that it runs smoothly and will continue to run smoothly and efficiently when a buyer takes over tomorrow.

To entice buyers, you need to have real numbers to show what your business can do for them. That means you need clean records with specifics. You must be able to show buyers your database, your contacts, your former and prospective clients and exactly how much money your business is bringing in and can bring in.

You must show buyers that you've stayed in touch with your sphere of influence, that you've treated customers fairly, that your contact management program is effective and that your database is filled with the right contact names.

After you get an interested buyer, work with him or her over the next few months or even a year so that the transition is smooth. Why? Because it allows you to work with the buyer after the sale, not only to ensure your income but also to help the buyer be successful.

You both have a vested interest in the business working properly and being profitable, especially if you go with a staggered approach. A strong transition helps prevent key elements from falling into the cracks.

Simply handing over the reins to the first Joe Schmo who walks along doesn't add any stability to your

retirement fund. But working with the buyer does.

Create a worksheet that spells out the mission statement, the vision, the philosophy and goals of your business. This helps the buyer feel secure and it helps you determine how you can leave the business — with cash, residuals or both.

Don't go it alone. Enlist the help of a consultant, a CPA and a lawyer. Make them your board of directors in charge of succession. Visit my web site, [CorcoranCoaching.com](http://CorcoranCoaching.com) and sign up for free weekly tips on succession planning and many other topics.

Start now. Pick that retirement date and start working back from it. Decide how much you need to retire. Take a close look at your business as it is today. Evaluate it; get feedback from pros on how you can make it better by adding value so that when that retirement day shows up on your calendar, you'll be ready to make the next phase of your life as enjoyable as real estate was for you. ▼



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