

# SEIZING THE OPPORTUNITY

Wealth Management After Liquidity Events

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*“It requires a great deal of boldness and a great deal of caution to make a great fortune; and when you have got it, it requires ten times as much wit to keep it.”*

*Nathan Rothschild – Rothschild banking family of England*

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The purpose of this paper is to present Koda's research and observations into the common concerns shared by business owners following the sale of their business and the critical role of specialised advice in addressing these concerns and providing the peace of mind to enter their next phase of life.

# Executive Summary

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The successful sale, merger or IPO (Initial Public Offering) of a business - also known as a 'liquidity event' – is usually the culmination of years, frequently decades of hard work, risks and tremendous energy. In many circumstances, the proceeds of the liquidity event may be sufficient to provide long term financial security to not only the business owners and their immediate family but also the next generation and beyond. It is for this reason that many business founders seek specialised advice as to:

a) how to prepare for a liquidity event including how to maximise the after tax position

and

b) how to sensibly invest, preserve and transfer the wealth which has emanated from the liquidity event sensibly.

Finding and partnering with a trusted advisory firm allows the former business owner in turn to pursue their personal and professional passions as they enter the next exciting stage of their lives.

This paper is based upon interviews with business owners and founders who have experienced a material liquidity event or are working towards one. All interviewees provided insight into the personal, emotional, professional and financial dimensions of the overall journey and we thank them for their valued contribution.

## **The paper is broken into four areas:**

1. Key concerns faced by founders after a liquidity event
2. Common mistakes made in that situation
3. Why specialised advice is vital, and
4. How Koda is well placed to advise in that situation

## About the Author



Sean Abbott is an Adviser and Partner of Koda Capital. He has been a financial adviser since 1998. He holds a Bachelor of Business, Finance Major (UTS), and a Graduate Diploma in Financial Planning (SIA), and holds the Financial Planning Association peak international certification of Certified Financial Planner.

Sean has a comprehensive knowledge of wealth management from an investment, structuring, asset protection, and estate planning perspective. Sean is a strong believer that sound planning, structuring, and patience are the keys to ensure clients make the most of their personal circumstances.

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