HARVEST & BEYOND
AGENDA

- Build a company to create harvest options
- Harvest – essential element not abandonment
- Principal harvest options
- Long term legacies
A JOURNEY NOT A DESTINATION

- Successful entrepreneurs:
  - Challenging & exhilarating
  - Thrill of the chase
  - Like an addiction
  - Venture has insatiable appetite for cash & time
  - Far more demanding & difficult than anticipated
  - Won’t retire
  - Would do it again
  - More fun & satisfying than anything
A JOURNEY NOT A DESTINATION

- Time to build significant net worth – 15, 20, 25 years
  - Long slow slog
  - Total immersion
  - Hugh workload
  - Sacrifices – self & others
  - Burnout
  - Maintaining enthusiasm is difficult
A JOURNEY NOT A DESTINATION

- Is the price worth it?

- Growth coach
First – build a great **company**

- Wealth & liquidity are results, not causes of a great company
- Kicks from growing the company, concentrate on proving & building a sustainable business for your
  - Self
  - Investors
  - Other stakeholders
  - CEA Video
Build with harvest options in mind

- It’s a vehicle for reducing risk and creating future choices & opportunities
- Not exploring options ahead of need increase risks & deprive yourself of options in case thing go awry
- Many build exciting interesting post venture careers or new ventures. They are generous with their time, money and time and frequently very quiet about it.

- Selling tech coys
HARVEST GOAL

- Have a goal and craft a strategy to achieve it
- A job and a living, versus a business that is an investment and gives you a capital gain
  - Can create high standards, serious commitment to excellence, motivating force, strategic focus
  - May be less workload than a venture that cannot be harvested
- Is a long term goal to create real value in a business
TIMING IS VITAL

- Typically people ignore thinking about harvesting
  - After launch, struggle for survival
  - Emotional connection to the venture “my baby”
  - Non issue - long time for revenue streams to emerge
- Sell in fear, sell for wrong reasons, at wrong time, wrong price
- Sell in a strategically attractive window
  - “I made all my money selling too early”
• 10 commandments
HARVEST OPTIONS

- Capital cow – cash and capital rich, enables owners to do other things
- Employee stock ownership plan – realise liquidity via employees
- Management buyout – limited cash up front remainder over several years
- Merger, acquisition, strategic alliance – offers cash, capital, presence, employment, options
- Outright sale
- Public offering (IPO)
Entrepreneurship is a journey for those who thrive on challenge and stress.

Strive to build a great business...the benefits flow from that.

Harvest options are important to consider early, weave into your business plans.
TUTORIAL

- Is either business eligible for a small business grant?
- How do you get an ABN & what is it?
- Can the business be run as a hobby? What is the difference for GST purposes?
- How do you register a business in Victoria?
- How do you apply to register a business name?
- What's involved in starting a home based business?
- What's involved in starting an eBusiness website?
- What are typical costs involved in starting a business?
- Where can you get information about starting & managing a business?
- What licences, regulations & taxation will your business face?