

## Media Release

### Positive Economic Sentiment to Benefit SMEs Business Growth & Succession Prospects

**Monday June 30, 2014.** As stock markets and economic indicators locally and across the globe continue to improve and whispers are getting louder that things are getting better, now is the time for SMEs to plan for the year ahead and especially, for baby boomer business owners to revisit their succession prospects and exit aspirations said Succession Plus CEO Craig West.

One of the interesting things observed by West has been the dramatic increase in mergers and acquisitions, capital raising and IPOs for Australia's major corporates (largely listed companies). "The level of activity has increased quite dramatically over the last six months and if you read any of the financial press regularly it is not unusual to find a story about a private equity firm making an acquisition, a new listing being announced, a merger between two major businesses or other corporate activity".

"This kind of activity has not been seen in the market at anywhere near this level for several years (and probably not since the GFC)".

This is significant as the private capital markets (corporate activity, acquisitions, et cetera with Succession Plus's typical clients) will generally lag approximately 12 to 18 months behind the '*big end of town*'.

"Whilst in our sector of the market we have already seen an improvement in activity (partly led by the increased availability of capital), we can expect this increased activity to really peak in approximately 12 months", continued West.

"This area, like nearly all other investment classes is cyclical and business owners should be doing everything they can to take advantage of this predicted increase in activity. Contrary to the doom and gloom associated with the oversupply of baby boomer owned businesses in the market and the downward force that will apply on prices – this is simply not our experience, but that comment needs to be qualified by saying that good, well - prepared & successful businesses will always sell (in any market)".

The opportunity here is to ensure your business is all of those things and therefore attractive to as prospective buyer as the market upswing continues.

West concluded, "Ultimately, the best advice for any business owner at any stage of the business life cycle is to take time and carefully assess all factors in relation to either their business growth or exit objectives. For those seeking to sell, assess all pertinent data and then develop the strategy to sell the enterprise to the right buyer – at the right time – for the best price".

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