



Planning Your Personal Future

Andra Ilie

Good morning, everyone, and thank you very much for joining our eighth and penultimate webinar of the Beyond Business Ownership Series 2023 on the topic of Planning your Personal Future. My name is Andra Ilie, and I am a Senior Advisor on Family Office, Governance and Philanthropy at HSBC Private Banking. I hope you did manage to join for some of the previous webinars covering the exit journey of a business owner. If you didn't and would like to, please do make sure to get in touch with your Relationship Manager for a copy of the recordings, or indeed, visit our website at www.privatebanking.hsbc.com/beyond-business-ownership.

Now, I'm particularly excited about today's session and indeed our brilliant speakers who are joining me today to talk about what comes next after a sale, and also the ways in which you can deal with that future so that you can make the most out of it. So, over the course of this webinar, we will touch upon the emotional side of things around filling that almost post-sale void that running a business often creates. We're going to be talking about things like philanthropic interest you may get involved in, using your business acumen in a non-exec directorship role, and getting started, or indeed more involved with angel investing.

So, on that note, I'm delighted to be joined today by a very experienced panel. So, I've got with me Jenny Tooth, Executive Chair of the UK Business Angel Association. I've got Hazel Carter-Showell, the Founding Director of Carter Corton Business Psychologist. I've got Mark Turner, Managing Partner at GatenbySanderson, Executive Branch. And my colleague Russell Prior, who heads up our Family Enterprise Succession here at HSBC Private Banking. Thank you very much for joining me, and I am truly excited to hear your thoughts and views on this important yet somewhat overlooked subject.

So, here at the bank, we talk extensively with business owners about what comes next in their journeys and it's often the emotional side of things around dealing with that time

and capital after a sale that brings about the trickier challenges. So, I can't wait to dive deeper into some of the options and hear from my panel about their experience, stories and wisdom. I promise I'll shut up in a minute. Just a couple of – two things to make clear. So, just some housekeeping.

So, first of all, HSBC UK Bank and our panellists have no responsibility for and are not providing legal or tax advice in this webinar. And secondly, if you do have any questions, which I hope you will, please use the question box at the bottom of your screen and we will do our best to come to them at the end.

Now, all of that been done and dusted, I'm sure you'll agree with me when I say that entrepreneurs rarely stand still. So, on that note, Russell, if I can come to you first. In your experience, how prepared are business owners for what comes after that exit and indeed have they given much thought to what they might do with their time and capital before the event itself?

Russell Prior

Thanks, Andra, and delighted to be with you on this webinar this morning. I mean, in relation to your question about preparation for what comes post-exit, HSBC Global Private Banking has actually just recently, in the last couple of weeks, released some great research on this topic in our Global Entrepreneurial Wealth report and it provides some really interesting insights. But firstly, let me just put it in context. Our research says that around about a third of business owners are looking to exit their business in the next five years and that's pretty much consistent across the UK and globally. So, it gives you some sense of the percentage of business owners for whom this topic really ought to be relevant.

In terms of your preparation question more specifically, it's really interesting to see the responses and reactions of business owners who've already exited their businesses so we can actually see what they think about what they should have done in terms of preparation. And our research finds that almost half of the people who've exited their business say they should have consulted with their family more. That's the top response. About 40% say they should have started their business preparations much earlier. And about a third say they should have considered their wealth position much earlier. So, a really interesting set of reflections from people who've been through the process. And I guess what comes from this, is it's really clear that much more preparation is needed.

Now when we come to the issue of what do entrepreneurs think about doing with their time post-exit, again, some really interesting thoughts came through. The highest response we've seen from a UK business owner perspective is an issue around retiring to pursue personal interest. And just over a quarter of people said this. The next highest three responses, you can look at them individually or you can aggregate them. If we aggregate them, it suggests there is some desire to sort of stay in the business world. But it's interesting if you then just disaggregate them and split them and each of them account for about 6% of responses.

The first one, and interesting, obviously with Jenny on the call today, is around angel investing or venture capital. The second one is about acting as an independent director, I'm sure Mark will have something to say on that or a mentor to a business. And the third one is about setting up a new business. And then finally around one in ten responded that they will either pursue philanthropic purposes or want to become a CEO of another business. And we have around one in eight who is saying they just haven't thought about it. So, I think that gives some really interesting pointers actually about the range of things that people are thinking about and some really great insights from our research.

Andra Ilie

Great. Thank you very much for sharing that, Russell. And I completely agree. I think some of the headlines and some of the findings are absolutely brilliant. And I'm, again, very excited that on this panel we can cover all of them. So Hazel, if I can come to you next, do people really know themselves well enough to even start contemplating what that next stage after a business sale might look like for them?

Hazel Carter-Showell

Oh, great question, Andra. Yes, and hello everybody. I suspect that years of focusing on the business leaves people with not a huge amount of time to focus on themselves and I also echo on Russell's point. I work with so many businesses who just don't want to think about it. Seems too hard to imagine. But I think as a start, you'll know that you are almost ready to do it when you understand where you learnt your work ethic from, your values, your attitudes and that's to life, ageing, retirement, all of these aspects. Because if you don't know what's driven you to get to where you are, you're just going to repeat the past. So, my question would be how well people do understand their emotions because that's what helps them to get started.

Andra Ilie

That's a great one. And then if I can take this even further, how do you start that conversation around the topic of what comes next and what are maybe some of your key observations coming out of the discussion?

Hazel Carter-Showell

Absolutely. Well, what I find is people need to focus more on who they are, not what they do. And it's who they are when they don't lead their company because a plan for what's next is really quite straightforward if you've got a purpose. But I find identity challenge is the kicker. So, that sense of who we are and business owners almost being embarrassed to say that what's on their mind is, how will I introduce myself in the pub? That idea of when I'm not saying I'm the CEO or the founder of X, Y, Z. So, start to think about it and our identity is built up in layers.

So, you think from when we're quite small, it builds up around our gender, our nationality, our culture, our family all this sense of who we are builds in layers. But to maintain a stable identity, we need three things. We need to feel that we are good, as in what we're doing is acting in accordance with our values. We need to feel capable, which is do I feel like I'm doing a good job? And also, am I worthy of respect or love? The original research was love. Some businesses find that a bit squirmy, but it's still the same. We want to feel likable or lovable. And so, selling up needs to be in line with your values and maybe start to think about the capabilities that you have that are nothing to do with running a business because that can be a little bit of a mind-mill to get into.

But there is potentially a bit of a difference between male and female entrepreneurs because the research would say that male identity tends to be wrapped around what you do whereas female identity is often wrapped around who you are to other people. It's socially constructed. So, I have a sneaky theory that by the time we see more and more female entrepreneurs getting to the point of exiting their business, they may find that phase a little easier. But whoever you are, I think it's useful to just think about that. How do I introduce myself because I'm actually looking forward to the day when I can say, hi, I'm Hazel, I make a mean margarita. It's just that ability to just be okay with however our identity sounds.

But the one bit I would say before I wrap on this is this stage, this letting go phase can cause a tsunami of emotion. And I think that the challenge of being able to work it through can feel something that's easy to put off and others can be really shocked by how hard it is to let go when the deal seems so good, but everyone grieves loss differently. If I think about some of the mental processes happening at this time because

your instinct as a businessperson has probably served you really well all the way through. So, this is the time to actually double down on that, to tune into emotion, to understand what your body's telling you because that idea of our conscious mind versus our unconscious mind. Our conscious mind can only handle five to nine bits of information. Our unconscious, that instinct you've always had, can handle eight million.

So yeah, let it do its job but tune into how you feel and don't be afraid of emotions because they have a job, they move us forward or backwards. Our brains on one level are surprisingly simple. Two gears, two directions, that's it. And you want to go forward fast. So, if you notice the emotion and which holds you back, will slow you down, even noticing things like anger, it means your needs are not being met or sadness that maybe you need to pull back and work something through a little bit. And then you can rejoin the flow. But the idea is to accept every emotion as it turns up, figure out its job and let it go like a leaf on a stream or a leaf on an autumn forest falling down.

So, my tips at this phase, really to get people started, are to be very present in how you feel and the feelings of the people around you. Absolutely picking up Russell's point earlier, with your family. Practise saying, I feel X because Y. So, I feel frustrated at how long this is taking, for example. And that's what you need. Now, whether that's being left alone or a hug, it's irrelevant. If you need it, ask for it. Because I think the hardest part is not asking for what you need and hiding how you feel. So, I know so many of my clients will say the worst part was the feeling they were lying to their team was one of their worst moments.

And finally, I would say this all links into some of my research, which was into how people felt as they sold their business. And although I think people start businesses for logical reasons, what I discovered was that they leave them for emotional ones and that the ending is unexpectedly emotional. And some of the phrases I heard were alarming almost, people saying they felt like doing a handbrake turn down the motorway or having your soul ripped out. Well, you're going to need recovery time for that. And like any significant grief, try not to make big decisions in the middle of it all.

But I think if you can focus on you as a human and a social being, not just a business owner, you'll get through this process a lot easier and build in reflection time to notice that what gives you energy and what sucks the joy out of life. Because that way when you start to get a sense of your expectations of yourself and how you're feeling through the process, yeah, post-lifestyle usually means focusing more on yourself and

relationships. So absolutely, I would totally agree with what Russell has said, which is, include the people you love in the planning because this does affect them too.

Andra Ilie

That, I mean, there's so much to unpick there, Hazel. I think we could talk about this forever. But I'd just be curious to go back to you, Russell, now and just off the back of what Hazel was mentioning, what sort of tips do you have or tools that can perhaps help business owners prepare themselves for what comes next? Because I know that's a lot of the work that you are doing. How do you help them conceptualise that post-sale life?

Russell Prior

Look, I think it's an interesting one. I think Hazel's given us a kind of a nice sense of just how big the range of emotions and issues are here. And I think one of the challenges of course is then to break it down into something that people can kind of get a grasp of more readily. So, I guess when we approach this topic with business owners, what we try to do is to stimulate and capture their thinking in three interrelated areas; and they are wealth, self and family. And I'll just explain, if I can, very, very briefly what we mean by those.

So, what we're trying to do at this early stage because it is sort of pre-sale, it's in that preparation stage, is to help them to try to develop a vision, if you like, a strategy or an approach for each of these. So, what we mean by, say, a vision for your wealth is looking to answer the question beyond the sale once it's over what actually is the point or the purpose of the wealth that's been released from the business? Because business owners when they're in business, they're used to the way that that business has worked for them personally, the way it's financed their life, it's given them that personal point or purpose. But with an exit all of that changes. So that big purpose question needs to be answered to provide, if you like, the North Star for all of the smaller decisions that need to be made. And there will be loads and loads of smaller decisions as you go through and post-process.

So, what gives you that North Star? It really is that purpose or point. What's the wealth for, what's the outcome from all that hard work? So, is the wealth there to provide a retirement fund? Is it to fund new business ventures? Is it to finance a purchase of, say, overseas properties or other assets? Is it to support the family, the next generation, or not, as it happens with many business owners, they say, no, I don't want to do – I don't want to get in the way of the next generation? Or is it about giving back to society in the

form of philanthropy? These are all valid strategies, but each is very different. And so, by raising this topic, you're planting the seed about what they need to think about.

So, for the vision for oneself, we mean what will that form of business owner do with their time? And clearly, we've talked about that already, so I won't talk too much about it. But it is about understanding that range of possibilities. It is about understanding that range of capabilities and saying, what is it that I want to do? But I think most importantly in relation to this, and I think this will come up, is don't wait until afterwards to think about what it's going to be. Many of these things do require some preparation and they do require you to start in advance. So – and there's nothing wrong with getting started on what you want to do next before it's all happened.

And then the final one is a vision for the family. Clearly, much here depends on the family situation. Are there children, how many, what ages? There may be grandchildren, of course. And so, a vision for the family is looking to bring together the wealth vision, the amount and the use of time looking forward and build that new narrative for the family and the wealth looking forward. In my experience, it's really surprising just how few business owners and families reflect on the changed circumstances and update that family approach for what's going to happen post-business exit. And that's why I think a lot of the issues that do come up post-exits can have such a large effect. I guess what this means is there is going to be the availability of potentially significant liquid wealth, spending, lifestyle decisions, changes taking place, if you're not careful, within a vacuum. And I think that's the risk rather than within a thoughtful communication framework.

So, the final thing I'd say is that comes back to the research, consulting more with your family. Do start with thinking about consulting with your partner or your spouse because often there's quite a gap in understanding or expectation at the person – with the person who is probably the most close to you. So, don't overlook the person who is closest to you in terms of that conversation.

Andra Ilie

Great. Thank you so much, Russell. That's great. And I guess I really like how it all pieces together around that sense of identity, but to Hazel's point from before, who are you when you're not that business owner? How is that defined by your family? How is that defined by everybody around you? So, I think it's all really interesting stuff. Now if I can shift to Mark. Mark, when we talk to business owners about planning in advance, to Russell's point before and preparing before the sale, a lot of them don't have the time.

They also don't have the headspace and maybe even the inclination because all of that time is spent on running the business.

So, I know that you do a lot of work with people helping them find senior roles in the public sector after they exit and I know we'll cover that in a bit more detail later on. But for now, I'm just curious to know what sort of courses, learning opportunities, anything as such that is available to them before they take that step? And how can they inform and prepare themselves to give themselves the best chance?

Mark Turner

Yes. Good morning, everyone. Delighted to join this really interesting webinar. And the first thing I would say is to acknowledge that actually, it is very hard to make the space and time to do that thinking ahead before you exit your business. Because apart from anything else, you are, A, running a business, and B, trying to sell a business. And that's probably more than enough time in the diary before thinking about what you might do next. So, I completely acknowledge that that is a very common attribute for many people who are thinking about the next steps after sale.

What I also come across, however, is that people find it very difficult when there's a hard stop after they've gone through a business transaction. So, all of a sudden there is a gap in their life where they have been running at full pace. And so for me, the planning that can go into thinking about how you can avoid the hard stop is really worthwhile doing. And I would definitely recommend that some time and energy and effort goes into that kind of planning ahead and actually, based around what Russell pointed to earlier on that kind of purpose and meaning, thinking about what you want to be doing next and how you might approach taking the first steps along that journey that might lead to something you do post-sale.

There's some practical things. I'll come on to some of the kind of courses and opportunities that you might think about, but some practical things to think about first of all, how much time in your discussions with your partner, with your family, with others, how much time might you want to spend in a working environment of some sort is worth thinking about. And that will vary enormously for different people. Some will want to do nothing, some will want to do – I meet lots of people who end up doing almost a full-time role through a collection of non-executive activities, that might include a trusteeship. So, there's a question around how much time and what else might you want to fit in the leisure activities that have already been referred to, taking some time out, etc., more holidays, spending some money.

So after that, it's kind of what types of role you might think about and we're going to say some more about that later on. Another practical thing to think about in that build-up is your own networks. Many people secure things that they might do next through their own networks, through people they know, through people they've come across in all kinds of walks of life. It may not necessarily be through business contacts and that is also worth just spending some time thinking about in that lead-up stage.

The next thing to think about is how you might – if you are looking to secure something in the non-executive space, how you might present that experience. And invariably, that means writing a CV. And many business owners probably have never had to do that previously. So, this is where you need some help and support and that might come through some of the excellent courses that you can access with organisations like the FT who run a very good non-exec directorship course, the KPMG, and other big four firms run these. But KPMG run a board leadership centre, which gives you lots of resources and opportunities to tap into what being a non-executive director, what sitting on a board might be all about.

The organisation previously known as Women on Boards, now known as WB Directors, is absolutely excellent in terms of supporting senior women and former business owners who are looking to bring something back in terms of non-executive work. And all of those run seminars, workshops, sessions that you can access that can help you prepare in the way that we've talked about.

The other thing you can do is spend some practical time either with a head-hunter or with people who have, or possibly with a coach, people who have worked on boards who can give you an insight as to what it's like sitting the other side of the desk, being a non-executive director or trustee. So, those are some of the kind of practical things that I would suggest.

Andra Ilie

Thank you very much, Mark. Thank you very much. That's really insightful. And I would like to turn to Jenny now. And I know Jenny's been patiently waiting. Good morning, Jenny. From your experience, do you see business owners also showing an interest in learning about angel investing as part of a strategy for what's next in their journeys? Or is it something that maybe many of them are already doing?

Jenny Tooth

Thank you and delighted to be here and join the discussions today. I think Russell already kind of mentioned that it was one of the areas that quite a lot of business owners do think about. And the interesting part, just to kind of give a quick snapshot of what business angel investing is, it's very much an opportunity to use your own financial capacity. And I will say we're really talking about 10% of that spare wealth capacity to support entrepreneurs. And many of them may have been on a similar journey to yourself. But the whole point of it is it's not just the money, it's the business experience, knowledge and skills that you bring and that you've accumulated through your own time in many of you building and growing and successfully exiting your business in due course.

And it's the combination of those two that really attracts people to Angel Invest. It is your own money, so you are making your own decisions. It's not like putting your money into a fund and leaving it for someone else to decide. So, this is really about following your own passions and interests as well but also it is about time. And everyone has so far mentioned this thought about time and it is about you committing some of that time to the entrepreneurs that you back. You are taking shares, it is equity, so you are having some ownership in those businesses. But what is very different probably from the life you've been having, whether you were a founder or a co-founder of your business, is that overall, in that early stage, you are only taking a relatively small fraction of shares in that business.

So, in other words, the business itself is there to run and grow under its own steam, but with your guidance alongside your equity. That's what really makes the difference to that early nurturing and support to small businesses. And it's probably just worth bearing in mind this is the sharp end, in other words, the early end, so it can sound quite risky as well. But at the same time, it's really – you are also, and I will say this, I'm not giving wealth advice here, but the wonderful thing is that our government, nearly 30 years ago now, brought in wonderful tax reliefs to incentivise people to back small businesses. So, the sweetener is you can actually gain between 30% and 50% of your money back if you continue to earn an income. But if you are not, there's still huge benefits in capital gains tax and IHT relief.

Now, that is just to give you a sense of how that gets de-risked as well. But I think it's important to bear in mind that many people can start looking at this before they are actually exited. Many people, in fact, do business angel investing alongside their day job. It's become increasingly clear when we look at our community that many people are doing this alongside their business. Others are doing it after they've exited their

business. And in any case, it's not about using all of your time, it's using a proportion of your time to do that.

But it is worth bearing in mind that it is a way you can gently enter into the world of business angel investing by joining a business angel network or group of which we have a hundred at UKBAA right around the country. And starting to just look at pitches and presentations and starting to hear the kind of language that investors are using and the kind of questions and getting a feel for the type of business that you might be interested in supporting. And it's very helpful just to get that early insight without committing any investment at all at that stage.

And probably also worth saying that we do, at UKBAA, have some really useful training courses that you can do entirely online in your own time but to giving you a much, much deeper insight about angel investing. So, you can add to your knowledge but also add to your thinking and experience by getting involved alongside an angel group or network from quite an early stage in your thinking. And it's good to do that, to really work out what you would really like to support, what kinds of businesses you would like to support.

Andra Ilie

Thank you, Jenny. I guess that fits in really nicely with what Hazel was saying. So, when you're looking for that identity and trying to almost like articulate it, it's like you're keeping a foot in both camps. So, you're still almost using your business acumen via the angel investing while still maybe perhaps trying to figure out what's next for you. Now, I know you've already mentioned some of the resources that are available out there. I'm just wondering, do you see business owners accessing these resources before they exit their businesses? Maybe just a couple of thoughts on that.

Jenny Tooth: Yes, I mean, again, it's surprising how many people they start to know people who have been business angel investing. And I think actually there's quite a lot of knowledge shared around this space now. It has become a lot more known and I guess because in many ways it's quite an informal area. It isn't – there isn't so much formality around it. People do share that knowledge. And as I said, being part of a group, don't invest on your own, is absolutely fundamental. So, we do see many people coming towards this and wanting to learn before they really decide to take the plunge. Remember you are going to commit your own money to this and so understanding the risks, understanding the process, understanding the, as I mentioned, tax breaks, understanding the legalities around it, but also learning from others about how to identify

what could be an interesting business for you to back and one that you think might have growth potential or opportunity.

And I think the other part of that kind of learning point is really to identify what kind of business you want to back. In other words, are you looking for something that's part of your existing experience and knowledge? And we do say that is a very good idea, by the way, but also are there areas that you are really passionate about? That could be everything from kind of climate change to social impact to making a difference even for, say, women founders or for black or ethnic minority founders. Or people very much often look at their own region or their own locality and say, I want to put something back into my local economy. I want to help entrepreneurs that I've been seeing around me or a part of the world that I've been operating in. And I can help them with their challenges as well as giving them that very valuable early finance that really helps make a difference for them to successfully build and grow through those early risky stages.

And really, that's the beauty of it in many ways. You can sort of start to work out what areas you are really interested in backing and perhaps even what stage of business you are interested in. Do you want to go in that absolute startup, really, really early stage? Or would you rather see something that's been a bit de-risked and done a bit more building the business? And I think a lot of that is really by looking at it being part of the business angel community and starting to really understand it before you do it. And we highly recommend that anyway, by the way.

Andra Ilie

Great. So, I guess what I'm hearing from all of you, it all comes down to preparation, exploration of your own identity, trying to figure out what sort of options are out there and maybe reaching out to others who've been in that situation. So, if we shift the focus now from the pre-sale preparation, so let's just imagine, take a time machine, the sale has happened. So Hazel, if I can come to you first, you're an experienced coach, what do you talk to people once they've stepped into that new stage? How do they deal with those emotions? I know you touched upon it a little bit but if we focus on the letting go and why it's important to deal with them, perhaps if we can get a bit more of your thoughts on that because I think that's really interesting.

Hazel Carter-Showell

Okay. Oh, there is so much to talk about at this phase. I usually get people to check in on three aspects of themselves. And it's that sense of who they are as a professional, so whatever they choose to do next, let's explore that. Who they are to themselves, and

usually, that's where we're really getting into that identity shift. And it's time to explore who you want to be when you finish paying for who you had to be. But that's Carl Jung, not me. So, it's getting into that sense of, okay, everything I did before had a cost, so let's make it worth it. What now? And the other side we've talked about quite a bit so far, which is who you are to others. So, understanding who is affected by this next stage.

One thing I would say with endings, British culture is terrible at endings, in particular. I spent so much time helping people to navigate letting go because they hadn't realised they would process it as a loss. They felt the business was ready and hadn't checked in, but how do I feel about this thing I've created? This thing that many described to me in quite maternal terms, like the letting go of a child. So, what I think is interesting is you can focus as much on what's not ending. What we've just heard from Jenny is there's so many opportunities to use what you've learnt to invest or to look at the non-exec roles. There's so many options.

So, not everything is ending. And that way you can focus on what continues and what does stop. But it creates a bit of psychological balance when you focus on both. Because yes, even now, once you've let go of your business, the old way has gone, but the new way is not set in stone and you can sit there in anxiety worrying about it or get excited. Wonderfully, our brains don't know the difference between the two. So, you get excited about what's next, what's possible because to me, it's exciting that you have no idea what might fulfill you next. Who you are is already completely different to who you were when you started your business. So, it's fun to find out.

Family dynamics does feature hugely in my work because creating a family charter, figuring out what the rules of belonging are in your family, so what it takes to join it and what it takes to leave it. Because unfortunately, significant wealth can affect relationships, particularly with extended family. So, figuring out that many people tell me they want to raise good human beings, which can also be complicated by wealth. So, all of that is the stuff you start working on because I would say your relationships are what really matter. They affect your well-being far more than your non-exec portfolio. Because frankly, that rarely breaks your heart.

So, take the time to spend on this aspect of post-sale life that many founders don't work on. So that's absolutely what I spent a lot of time talking about. So, we never run out of things to say, and a very quick test of success is, have you stopped running from what drove you to succeed? Because as we know from research, it's not always healthy. So,

let's find a different way to be. But life can be absolutely fulfilling when it – whatever you choose to do next and different.

Andra Ilie

I know our audience can't see everybody who's not speaking, but everybody's smiling and nodding. So, I'm sure we're all loving what Hazel is saying. So, if I can come to you, Russell, because I know a lot of the points that Hazel has just made will resonate with you. What do you talk to business owners about when it comes to their next steps after a sale?

Russell Prior

Yeah. Look, I mean, no, great stuff. And I think there's some sort of really powerful themes flowing. Look, of course, in an ideal world, business owners would seamlessly implement their pre-sale plans and then, of course, there's reality. So, I think it is worth recognising that. And I think Mark said, you are – you've been running a business and there's been a process. I think that it's absolutely right to recognise this. I think it's also worth just bearing in mind that in terms of what happens next in a post-sale scenario, much depends on what triggered the sale or how that sale process went. Because you can't look at it as being a perfect scenario. Life isn't like that.

So yeah, three different – quite different scenarios we encounter can, I think, demonstrate the emotions involved at that point of post-exit. It can drive different responses. So, for instance, an exit might be forced by an unfortunate or unhappy set of circumstances. That'll be quite different to an exit where, for instance, the business owner received an offer for their business, it was, quite frankly, just too good to refuse.

Or indeed, it's different again from one where the business owner recognises it's just the right time to sell. Emotions are hugely different according to all of those things. And one of the other bits of research we've seen is that a lot of business exit processes start – the majority, overwhelming majority, in fact, start for unplanned reasons. So, it's worth recognising that this is not going to be necessarily a seamless process.

So of course, on top of that, there's also then, as Hazel's alluded to, the personality, the approach, everything that's gone on before in terms of the personality of the existing business owner. So almost regardless of the way forward, I think it is worthwhile a business owner building a break to give themselves time to recover from the pressure of the sale process. I think that's crucial. And I know we would – we say that very often to business owners and I've heard it said on many occasions that the stress of the

process is immediately followed by a bout of ill health. So, that's another of those kinds of unknown things that just kind of happens.

So, if I think just very quickly back to the stats I shared at the beginning, I don't find it at all surprising that so many people stay involved in the world of business in one form or another because it's a safe, relatable space. But it does run the risk of being a replacement activity rather than a negative. Indeed, only last week I sat with somebody who sold their business ten years ago and has gone into a range of the things in Jenny's area, Mark's area and then now having to plan another exit. So, I think that's quite interesting as well.

In terms of what next? A bit more from the research that we've seen, interesting to look at the differences in the interests and passions of wealthy individuals and differences between women and men. And the top four interests from the one piece of research I've looked at suggests the interest for wealthy women are listed in order, priority as it were, philanthropy, sports, the art and education. Whilst for men, it was sport, philanthropy, the outdoors and technology. So, back to that point about you don't necessarily share common interests with your partner or spouse, so do bear that in mind as well. And that's why it's well worth having a conversation.

Andra Ilie

Thank you, Russell. I'm sure everybody will want to read that piece of research now because there are some really fascinating insights in it. I'm just curious to pick on a point that Hazel mentioned before, which is to do with the cultural impact of being a British-based business owner. And some of the points you made before around it not being particularly easy perhaps to deal with your emotions. Can you share a bit more on that, Hazel?

Hazel Carter-Showell

I can. So, I think whenever there's a cultural challenge of almost feeling we have to hold our emotions down, the analogy I use is it's like holding a beach ball under the waves. It just takes a huge effort. And as we've been hearing, a deal process is already effortful, and when you're also trying to keep your emotions under, then well, the minute you let go, it pops up to be fair. Which is why, when Russell said that people often become ill, it's because all those emotions that have been suppressed suddenly rear their ugly heads. And so, it's learning to be able to name them and to be able to say, what is their job? So, as I've said before, if the anger is to get your needs met, sadness is to move us back.

It's also noticing and tuning into, if I can name an emotion, I can move through it more quickly. And finding ways to be able to say it because in cultures that are not easy or don't find it easy to express emotion, the best way forward is to say it. To be able to say, I feel angry because you're not listening. It's much easier than to say rather than do to feel. Because if we don't speak it out, then it's just sitting there burning through probably our cortisol reserves, creating stress and it takes a long time. So yeah, I think in cultures that are not comfortable, it's learning how to say it because we'll find it very difficult to feel it.

We do know this, some cultures are incredibly expressive and it's much easier for those to have a vent, a rant, a cry. But yeah, being able to also find a safe space in which you do not feel judged. And that's something that I spend a lot of time with people who just sit and cry. I've had people in my research who were crying for four hours about a deal that happened 14 years ago. I think there's huge emotion around this. So yes, when it's healthy and processed and talked about, it's so much easier to move on from.

Andra Ilie

Brilliant. And Jenny, we've touched on culture, I know you touched upon gender a little bit earlier as well. Are there any particular types of business owners to whom perhaps angel investing appeals more to, maybe generation or gender-specific or any of that?

Jenny Tooth

No, thank you. To be honest, it's very interesting is when I first started angel investing, they were all male around me and mainly over 65. And that's no disrespect to anyone who's listening today, but we have seen a major change in the demographic over the years. And the wonderful thing is obviously that when you look at the entrepreneurial population too, that's really so broad. And so, we've been seeing a really wide range of people, and obviously, for that, such a huge range of business experience and skills that can be brought into this.

I will say it has still been a slow part for growing women, angel investors and I've been on a big mission about this, especially because so many women have so many wonderful skills and so much knowledge and experience that they can especially pass on to other women entrepreneurs. So, I've been running a big campaign called Women Backing Women, to encourage many more women to see how they can help many more women through their entrepreneurial journey and also with a little bit of financial help and support as well. But this is also true of people who come from so many different industries and so many different business areas.

I think probably the main thing to bear in mind in being a business angel, it's not philanthropic but you have to bear in mind that you are putting money into an entrepreneur that if you think of your own business, you may take 12 years to come towards an exit, or even longer, if many people remember their own journeys. And so that money has to go to work a long time before you may see any results.

You also have to bear in mind, and you all know this if you've been running businesses, that they have many ups and downs and some of the businesses that you back will not fulfill all those wonderful promises and therefore you won't see those outcomes. But for many, that is really part of the journey. And so, if you like, if you are happy to do that sort of, I'll call it a little bit of a rollercoaster, it's also patient, being very patient and understanding the ins and outs of the entrepreneurial journey, but also, of course, you're working alongside others.

There aren't many people who can't really be part of this. And the reason I say that also is because there's often been a myth that you have to commit a lot of money and a lot of time to this. And as I mentioned earlier, a sort of 10% of your wealth is the most that you should be considering. And in terms of your time, it really depends on how much of that you want to give to support the entrepreneurs. You can be relatively passive sitting in a syndicate and investing alongside others or you can identify businesses where you really feel you've got something to offer.

So, I wouldn't say in many ways, there are many people who cannot be part of this. And the reason I talk to women a lot is because women often have that myth that it takes a huge amount of their time and a huge amount of wealth. The ticket size to enter a syndicate can be as low as £2,000 per deal and going upwards from there as you gain confidence or interest. So, we make this a very low barrier because you are working in syndication and sharing knowledge and skills, but in many ways, there aren't many people who feel – who could not be part of this – and reuse that business experience.

The only thing I will say is you can entirely choose how many businesses you back and how much time you spend. But we do talk, and many people will know, talk about a portfolio and the idea is that you do make a few of those investments in all – over time and build up a portfolio of between about 15 and 20 businesses. Because then you've got that opportunity for some of those to come to fruition. Some of those will be slower growing, some might not make it, but also you are not putting all your eggs into one basket, basically. You are building a diverse number of different opportunities but you

don't have to spend time with all of those. You choose the ones where you feel you've really got something valuable to add and leave your co-investors, your – the other agency maybe to also bring skills.

So, it's not – this is why I say don't do it on your own, always do it with others. But I genuinely can't think of anyone who shouldn't be participating in this if you really want to be part of that entrepreneurial journey. Because in many ways, it's not – it becomes quite part of you again. I mean, most of us who went into business angel investing have, because we've exited businesses and had that sense and we know what it's like, that's why we can help. But on the other hand, we also know the challenges. So, you will live with it a bit, I have to say. And then that's why it may not be for everyone who really wants a completely fresh change. But it's 10% and so many more other things you can be doing alongside including non-exec roles as well, Mark.

So, I would say have a look at it yourself, and as I said, try it out and go in with the idea that you are not going to spend too much time on it at this stage as you build your skills and experience. But women, please do join. There's so much you can offer too and many others who may not have thought of this up to now.

Andra Ilie

Great. Thank you very much, Jenny. And that's a really nice segue into Mark's piece. And Mark, thank you very much for waiting patiently in the background. So, I was keen to explore perhaps a little bit more about the exec role. So, if you could just unpick what that role entailed for our audience who perhaps isn't very familiar with it. And then I would also like to ask you to touch on the types of roles you help with in the charitable sector, if you don't mind.

Mark Turner

Yes, of course. And the first thing I would say is to completely agree with Jenny, that being a business angel and being a non-executive director are mutually compatible. And in fact, a point to add on what I was saying earlier on, many people start with their first non-executive role, which might be a charity trustee role before they finish in their day job, their business activity, the business they're looking to sell. And it's a very good thing to do that and the two things complement each other very well.

Coming onto your question, being a non-executive director, you have the opportunity to work with the executive team in an organisation to support them around setting and agreeing a strategy around holding the executive team to account for the delivery of that

strategy, around supporting and challenging in an appropriate fashion. And being the person that can ask sometimes very straightforward and stupid questions. And sometimes the questions that might just challenge the executive to think outside of the box and really get their business motoring in a very positive way.

Often, the role of a non-executive is described as being a critical friend to the organisation and somebody who can bring a different perspective, who can ask those questions, but isn't in the muck and bullets of the day job, and therefore has the ability to stand back and ask those questions. It's an absolutely vital role to play in the governance of the organisation. And many put – many people fall into the trap of thinking that they have to know something in some detail about the business that they're going to join as a non-executive. I actually think it's really helpful for many organisations to have non-executives who don't bring that knowledge and experience, which might be sector experience or it might come from another strand of their experience but can just bring that entirely fresh perspective.

So, I think all of those things are kind of, in the world of being a non-executive, you would expect to encounter those various attributes and pieces around your experience. In the specific world that I work in, which is across the public and nonprofit sectors, there's an additional responsibility as a non-executive director, which is often around protecting public money or protecting the organisation. If you're talking about a charity, protecting the good causes and making sure as much money goes into the good causes in that charitable organisation as possible and that really good robust governance is in place.

And that means that, in my experience, that you have to have the cause of the organisation in your heart. And it comes back to this point that's come up so often this morning around passion, around really wanting to be part of an organisation because it means something to you and because you are passionate about the cause. And it particularly applies in the world of charities, I think it's really important, if you're thinking about being a trustee, that you resonate with the cause in question. Lots of people talk about giving something back and it's much easier, I think, to give something back if you feel really passionate and enthusiastic about the organisation. If the organisation doesn't excite you, move on to the next opportunity, is my advice.

A big range of different types of organisations that you could think about, there are charities, and charities can come in all shapes and sizes, from the very big charities we've worked recently with to appoint trustees on organisations like Comic Relief, Alzheimer's, Citizens Advice, some of the big housing bodies, Peabody being an example. Shelter, if

you have a real passion about homelessness, then again, some of the organisations in that space can be really interesting to contribute to. But also university councils, which are unpaid, relatively low-time commitment opportunities. So, if education is something where you hold a real passion, that can be really interesting to do.

Outside of that, and on a broader spectrum, we work with government bodies of all different shapes and sizes, government agencies, government departments, regulators. You could think about working in the health sector as a non-executive director on a health trust. And of course, there are many of those around the country and one for each of your geographical regions. And all of these things, I think, combined really effectively with some of the other activities that we discussed this morning that you could do alongside a non-executive role or two, that might be very complementary.

The types of roles that we handle, anything from a trustee to a chair, a vice chair, a senior non-executive director. Committee roles, chairing a finance committee, chairing a people committee, all of those are relatively low time commitment and things that can fit in really well. But the big message for me is passion. It's about having passion for the organisation that you're thinking about.

Andra Ilie

Brilliant. Thank you so much, Mark. And Hazel, if I can just touch on another option and ask you to comment perhaps for two minutes, if I may? I just wanted you to touch on the area of coaching and mentoring, because that's one that keeps coming up in the conversations that Russell and I are having. Do you find that people go into coaching and mentoring after an exit? And if so, why do you think that is?

Hazel Carter-Showell

Oh, absolutely. I think it's a different way to give back because if you have got potentially answers to founders' questions, then you could be an excellent mentor. I was reminded yesterday that Alexander the Great who conquered a third of the world, had a mentor in Aristotle. Aristotle had a mentor. So it's kind of something we have always done, which is listen to elders or listen to people with more experience. But again, there can be cultural differences to how immediate that is. But yeah, if you're sitting there thinking, I learnt a lot through this process, then that's something you can offer as a mentor. And the only thing to remember is you are not them. Now's not then. So, it's that ability to say, even if this is what works for me, I offer it and I offer it really lightly. I'm a big fan of strong opinions lightly held, of offer it as an experiment and let them try.

Coaching - it's almost irrelevant. That's where the complete objectivity that Mark touched on is really useful. Because as long as you can ask great questions that allow people to see things in a new way, then you can be a good coach. Because the best questions are actually ones you don't have the answer to. And it means you're not sort of polluting with your own thoughts and your own success. Sometimes it's actually harder for very successful people to put their own knowledge to one side but you can do it. I would say this is definitely one to do if you can before an exit because you get the basic skills and practise. Coaching is definitely one that needs a bit of practise. Because if people can trust you with their dreams and their hopes and you have that experience, then you would be an epic coach, mentor. And personally, I do think it's a phenomenally rewarding space to be in.

Andra Ilie

Wow, that's absolutely fascinating. And on that note, I'm just going to take some questions that have come in. I know we could continue this conversation forever and it's really, really insightful, but some of the questions are actually quite interesting. So, the first one, actually, Mark, I'd like to put to you, if I may. Do you tend to gather feedback from former business owners that you've placed into either non-exec roles or charitable roles? And the question is, are they happy?

Mark Turner

That's a great question. And in fact, it leads brilliantly into a point I was going to make, which is I talk to many people who tell me that the life they build in what I call portfolio world, which might include some non-executive experience, might be a business angel activity, could be some coaching there as well, might be some consulting, those things piecing together. I talk to lots of people who say it's the most rewarding period of their whole career when they get into doing that collection of things and have the opportunity to really do the things that drive their passions actually.

I'd be lying if I didn't get some feedback which was, this is a very different world. I feel like I've landed on another planet. It's challenging, it's difficult, it's – how do I add value? And we tend to have an ongoing relationship with people who we place into trustee roles for the first time where they can come back to us and kind of cry on our shoulder or tell us how brilliant it is. So the feedback varies but lots of people are really positive about the impact it has on the kind of portfolio world they move into.

Andra Ilie

Brilliant. Thank you very much, Mark. Another one, perhaps for Jenny. Jenny, are you seeing the younger sort of like the next generations being passionate or interested in angel investing at all?

Jenny Tooth

Yes. Thank you. And that is a really good question. I think the wonderful part about it is that so many – I think so many people have seen the world dragging down, which by the way, isn't like angel investing, but they've got the apprentice on all of those areas. And people understand the challenges for entrepreneurs and it doesn't really matter at what stage you are in terms of your life, you can really be part of that world. So yes, we are seeing some really much younger exited entrepreneurs who sometimes actually plan to actually then go and perhaps build and grow another business. But in the meantime, do see that opportunity to support other entrepreneurs, either the younger generation or just really alongside their own journey.

So, I think it's something that you can look at at any stage. And I will say that angel syndicates are really reflecting varying ages, varying genders and varying approaches. And if you can imagine it, it is about a body of skills and knowledge and so different stages in your entrepreneurial journey are really very valuable when looking and evaluating entrepreneurial opportunities. And that's everything from really understanding some of the latest kind of developments, innovations and technologies, down to kind of things where you really understand that because you've been there and dialling down on a number of occasions. So you really need that mix, I think, in the angel world. And I think it's very valuable for people to consider where they would like to put their interest, their knowledge and support and their financial capacity.

And then actually we at UKBAA can also help direct people to the kind of syndicate and the kind of opportunities that they would find the most interesting. And it does relate to your own interest, your own background, your age, your gender and I think it's that actual diversity of all those different players that makes angel investing such a great thing to be part of and a great opportunity. And most of the angels I know do it, coming very much back to the points that have been made already, they do it really out of passion. It is out of the fun of the entrepreneurial journey, but it is about putting things back and it's also backing entrepreneurs that have the most amazing solutions that can change the world. And you can be part of that and that's what's really so exciting.

Andra Ilie

Thank you very much for that. The next question, if I can come to you, Russell, on this one, so you spoke about the importance of getting your family involved. How do you facilitate alignment with the family in terms of what those sales proceeds, and indeed the resulting time for that founder can do for you as a family?

Russell Prior

Gosh, that's a very big question. I'm glad we haven't got long left on the seminar this morning. A couple of things, I guess, I'd say. One is it does come back to this issue of what is the vision for the wealth and I think that's super important to be able to formulate that. I think the second thing you have to recognise is where the family is in kind of the life stages. It's quite different if your children are very young as opposed to in, say, their teens or in their 20s, or of course, it may be they're in sort of midlife themselves and they have grandchildren. So, I think you have to think about that.

And if I could just give kind a couple of examples to just bring that to life. So, if you are at a later life stage when you're exiting and you've got grandchildren, I think I've had examples where grandparents have started to want to do significant things for the grandchildren and they're not talking to the parents of the children, the grandchildren. That's quite a difficult scenario. So, remember there are a lot of people involved in families.

And by the same token, I had a case only last week where, again, significant sale proceeds and they were setting up sort of their wills and what have you in the wills around when if something happened to the parents that the wealth might be available to the children. And they talked about not wanting substantial wealth to become available to the children until they'd reached a stage where they could demonstrate financial independence themselves as children. So, I asked the parents, well, how are your kids doing on that path to demonstrate and what does financial independence mean? And how would the trustees of your will actually know when they've reached that? And they both went back in their chair and said, we haven't even thought about that.

So, I think there are a lot of easy things to do in this but they're really tough to make happen. So, I think when you're thinking about that alignment piece, you have to think very deeply about the vision and your values as a family and also your narrative. And then something that Hazel said actually, how do you communicate in the family? Because one of the other bits of research we've done is the parents think they have communicated brilliantly and do communicate brilliantly, and the kids are going, we've no idea what our parents think.

Andra Ilie

That's a really powerful one, isn't it? So, I know we're reaching the end of our time, so I'm just going to take one more question. And this is very clearly addressed to Hazel. So Hazel, two minutes, please. Somebody is saying, I haven't actually sold my business but rather passed it on to my two sons and find it extremely difficult not to interfere. Hazel, any tips?

Hazel Carter-Showell

Oh, yes. This also includes learning how to let go. And following up from what Russell has just said the input, especially in family businesses, to map out how love, money, control flows in a business. And it's one of those conversations to figure out that when you almost mentally imagine I've carried this backpack of rocks, but I love it and actually I'm going to figure out how to pass it on kindly to my kids and trust that I have raised good human beings so that I can let them be there. And then that way you step back into the role of mentor because you've all that experience of the business.

And so, I think when this can be done with respect, and it's respect on both sides, that you can respect that you have done a good job in raising your kids. Let them do it. And similarly with kids, that actually you were handed something really precious so do the best you can with it. But it's understanding those dynamics but the first step is learning how to mentally step back and then if you're not sure, step back again and figure out what it – how you ask the question to your kids, when do you need me? How might I help you best? But it's letting go of control. So much on that. Yeah, family businesses and family dynamics are a particular bag of cats, but they are rather wonderful to work with.

Andra Ilie

Great. Thank you very much and thank you for that backpack analogy. That's going to stay with me for a long time, I think. So, we are reaching the end of our allotted time this morning but before we close, what I'd like to do is I'd like to test your skills of speaking relatively fast or being very concise. So, I wanted to come to each of you for about 30 seconds. If you wouldn't mind just sharing a closing thought for those who are maybe thinking about what comes after sales, don't know where to start, or if you could just give a piece of advice, very, very briefly? Can I come to you first, Jenny?

Jenny Tooth

Yes, thank you. I would just say, and I think I've already said it, really, if you care about entrepreneurs and supporting their journey and if you really want to put something back into your economy and follow your passions as well, then I think it's really worth considering being a business angel.

Andra Ilie

Beautifully done, Jenny. Thank you very much. Mark?

Mark Turner

Yes, I mean, similar theme really. I think follow your passion. Think about how you can bring all the brilliant business expertise that you've built up over many years to good effect in another organisation that really needs your help. And you can do that in any of the ways that we've heard about this morning but you can also do it in a non-executive or trustee capacity. And people really value the role that trustees can play in their organisation.

Andra Ilie

Brilliant. Thank you very much. Russell, your thoughts?

Russell Prior

Yes, I think we've all said it, this is a particularly emotional phase, this issue of letting go and moving on. I would highlight just how important it is to think about this in advance and to plan your personal future. But for business owners who are exiting and have been through a highly rational process, don't forget you can be very rational about thinking about your future too and you can build a plan for it.

Andra Ilie

Great. Thank you very much, Russell. And Hazel?

Hazel Carter-Showell

Yeah. Figure out what brings you joy while you come to terms of being wealthy and potentially unemployed. But I think whether you build something new or take a well-funded very late gap year, I think it's recognising you have choices and enjoy making them. But if you do start again, use everything that you've learnt and do it differently. You've got to make it worth the price you've probably already paid and with great advisors all around you in the deal process maximising the deal. I suppose, to quote Dolly Parton, who is a millionaire who knows how to give back, "above all this, I wish you love".

Andra Ilie

Wonderful. I mean, I don't know what else can be said on that. Thank you so much. And thank you very much, Jenny, Hazel, Mark and Russell for sharing your views and your thoughts. And I'm sure our viewers have gathered some useful insight. I know I definitely come out of this with many more analogies.

For our audience today, I do hope you've enjoyed the session and the discussion. If you have any feedback, please do complete the share feedback tab. Again, if there's anything from today's conversation that you found particularly interesting or would like to know more about or you'd like to speak indeed, to one of our experts on the panel, please do reach out. Also get in touch with your HSBC Relationship Manager if you have any questions. And finally, don't forget to sign up for our final Beyond Business Ownership webinar for this year on the topic of philanthropy, on the 7th of December. All of that being said and done, thank you very much for listening and goodbye.