

-- Speaker 0 00:00 <inaudible> make it right. Manufacturing podcast. Welcome to the maker bride podcast, the show where we talk with manufacturing leaders and other business owners about the challenges, insights, and opportunities they encounter on a day to day basis. I'm your host, Janet easement and the other day I was at a social gathering when the conversation turned to retirement and that word retirement was cloaked in terms that made it seem like it was the ultimate goal. For the most part, everyone had their financial plan in place, but when they were asked what they were going to do in their retirement, most of them said they were going to figure it out when they got their Henry David Thoreau said, the devil finds work for idle hands and if that is true, imagine what the devil can do with a once busy mind. It's allowed to become idle. On the positive side though, Henry Ford said there's a profound difference between leisure and idleness, so with that thought in mind, you can hear him laughing in the background.

Speaker 0 01:01 I'm pleased to have Patrick Bradley returning as a guest on the maker ripe podcast. Patrick has been working with business clients, many of them in the manufacturing sector as a life insurance and financial advisors specialist for more than three decades and in episodes 48 and 49 are the make a rod podcast. He shared how to help, how he actually helps business owners effectively and smoothly transition out of their businesses. Once that's done though, then what? So this time on make it right. He's here to share how he helps people with the other side of the processed answer, that big question, what am I going to do with the rest of my life in the post retirement phase? As Patrick calls it, it's your second half game plan. So you can continue to live a life with purpose and meaning. So Patrick, good to speak to you again and thanks so much for joining me.

Speaker 1 01:51 Well Janet, thank you. It's a pleasure to be speaking with you today.

Speaker 0 01:54 So let's talk about this other side of the business plan. Because people do get all set up with their business. They're ready for their transition and they do that. Your goal with this side of your business is to help people paint that picture of their future and set that process in place to turn it into reality. So is there a story behind this, this, something that happened that prompted you to do this?

Speaker 1 02:18 Well, there actually is Janet. So 20 years ago I was in a coaching program and I went through an exercise and it was at that time that I figured out I was going to live to at least age 121 I'm soon to be 60 and as I reflected on the fact that I was coming up on my phone, second half,

Speaker 1 02:45 aye recognize that I really want the second half of my life to be happy, connected and on purpose. And aye came to the realization that my prescription <inaudible> is to be intentional, intentional about what it is that I need to do to be happy, connected, and on purpose in the second half of my life. Yeah. So I did a lot of reading and I did a lot of research and I have, I came to the conclusion that, you know, things just aren't going to happen the way that I want. If it's just a dream out there, I need to put some method behind the madness. And I don't mean to be redundant, but be intentional about what it is that I want to have happen. So then I put together a game plan and for myself and then I formalize that game plan and I call your second task game plan. And it's what I offer to my clients as a way to help them clearly paint a picture of what it is that they want and the second half of their life. And then we can work backwards and reverse engineer to figure out, okay, what do we need to do to keep moving forward so that they can accomplish what it is that they want in the second half too of their life.

Speaker 0 04:10 So in your experience, do you have a sense that most people do know what they want in that second half? Or is this like, you asked me to go through this process, I found it incredibly difficult. Patrick, and I want to know like, am I like an anomaly or most people when you say, okay, like really what do you want to do in your retirement? What's that picture look like? Is this a hard question for them to answer?

Speaker 1 04:39 Uh, w for some, yeah. <inaudible> he isn't, uh, for me it's was, and I find that many of the people that I talk to, they --

-- may have a general idea of what they, you want to do. Particularly business owners. I think business owners have a better idea of what it is that they want to do in the second half of their life.

Speaker 1 05:06 They, they don't. Okay. And again, we're generalizing here. Many of, many of them don't have as clear of a picture as they would probably one to have moving forward. And, and that's what I wanna do. I want to help clear up that picture. Um, so, so that the business owners are able to, yeah, no, leave their business on their terms and do what it is that they want to do. Moving forward. Oh, I have a friend who's a retirement coach, a certified retirement coach. And so his name is Tony. And so Tony focuses on helping people plan for the transition into retirement. Nothing to do with finances, but, but it's what are you going to do with your life too? Give yourself meaning. Give yourself a reason to get up in the morning and stay engaged then and make an impact. And he made a comment that stuck with me and he said, many people realize to recognize what it is that they want to retire from. <inaudible>

Speaker 1 06:12 don't give enough thought to what they want to retire. Okay. And what I want to do in my process is kind of selfishly, I want to no and clearly understand what's the picture that the business owner has for their future for themselves, their family, their business, their community, and whatever's important to them. And then once we're able to mold that picture or that for that vision, I'm going to encourage my clients to share that with their other advisors so that everybody's on the same page singing out of the same hymnal so that we can collectively collaboratively give advice that's going to be meaningful to the client so that they can make smart decisions for themselves and be happy moving forward.

Speaker 0 07:00 <inaudible> I guess this is something, and I could be wrong on this, but this is something that has been happening over the last few decades because people are living longer and as you jokingly said, you're going to live to be 121 or something like that. Right? So

Speaker 1 07:18 Janet, Janet, Janet. I'm dead serious.

Speaker 0 07:22 Okay, good for you. But I mean like you think about it in the past we worked physically and it, I mean people's lifespan just wasn't that long. Now there are people that are living into their one hundreds and well into their nineties and they're active and their brains are active and they need something to do. So you really have to sit down and think about this and you've done this scorecard that helps people look at where they are in that process and how they can get to that end goal. Do you want to explain that scorecard and how that process works?

Speaker 1 08:00 Sure. So the scorecard and eh, I have to, uh, uh, put off footnote or full disclosure, I didn't come up with the idea of the scorecard, but the idea comes from Dan Sullivan and the strategic coach program. But the, the content of the scorecard that I use is unique to my experience in working with business owners over the last, okay, 35 years or so. And it's, it's really the, the mindsets that belonged to <inaudible> the clients that really want to tee up the second half of their life to, to be happy, to be connected and to, to be on purpose. And so it's, it's a way to quantify experiences that are typical to those business owners that they want future to turn out really the way that they, that they want to. And I, I use it at the forefront of my process first day as a way to find out is there alignment? Somebody might read my scorecard and say, well, this is a bunch of hockey puck. I don't, I don't like this. Well, if that's the case, then obviously I can't be such service to that individual. On the other hand, somebody that reads the scorecard completes the scorecard and sees where they have been doing well in their life. We can congratulate them and they will also see where there are opportunities. Four advancement and we can help them improve their score.

Speaker 1 09:39 <inaudible> we use it as a barometer. Uh, I like to use it as a way to keep me accountable. Am I doing what I need to do to help my business on our clients, continue to move forward in the direction of their dreams and accomplish their overall goals and objectives. And I want my clients to use it as a barometer or a scorecard to make sure that they're paying attention to --

-- those few things that are going to help them people forward.

Speaker 0 10:03 <inaudible>. Okay. So let's walk through this process and let's say that I'm a 62 year old owner of a mid size manufacturing company. I'm married, I've got two grown kids, couple of grandchildren. I believe I have a business transition plan in place so I don't have to worry about that. So, um, what would, should that sort of business transition plan look like to actually be effective? Because I know that you have said in the past that people think that they have a business transition plan in place, but when you actually look at it, it isn't really an effective plan. So just give us a picture of what that business transition plan should look like to be effective.

Speaker 1 10:42 Okay. So let me just take one step back and let's try to define transition plan.

Speaker 0 10:49 Okay. Quick story.

Speaker 1 10:50 I had a client, I had a client who was um, this was a family business.

Speaker 0 10:56 Okay.

Speaker 1 10:56 Uh, he was first generation and his intent was to sell the business to second generation. And his idea of a transition plan was there was a buy sell agreement, there was some life insurance to fund the agreement. And he knew who the successor was going to be, who's going to be his son, and that was his idea of the transition plan.

Speaker 1 11:24 When we look under the hood, the reality of it was the sun never saw the corporate checkbook, never saw the corporate financials. I had been working in the business for a number of years, knew the business, understood the business, and luckily that transition plan, did it work out? There were a couple of bumps as you might expect it in the beginning, but I'm not suggesting that that be the definition of a transition plan. What I'm talking about is a plan in writing. It's going to identify when you as the typical 62 year old owner of this midsize manufacturing company when you want to leave and we need to identify what is your definition of leave mean, and then the second step is we need to identify the value. Are you going to get the value of the business that you may need or that you want and who is the successor of your choice? <inaudible>

Speaker 1 12:31 no transition plan can be considered a success if it does not provide you as the business owner with the financial security for the remainder of your life and your family's life. So in a nutshell, that transition plan needs to identify when you want to leave for the money you need to the successor you choose. Yeah. That gives you the financial security you need for your life. Perfect. That makes sense. Yes. So perfect. Did you have something to add there? I did not know. Okay. Okay. So if I have that transition plan set up the way you see it, that you say it should be, what do I personally need to be thinking about? So that day one of my retirement is a positive experience. And I'll share just a quick story here. I went to a retirement party last week with a friend and um, it was actually a day or two after the retirement was or the retirement had started.

Speaker 1 13:29 But my question was what was it like to work at wake up on that first morning of retirement? And this person said, I didn't know what to do when I got up and I actually shed some tears because I was kind of at a complete loss as to Oh, you know, so like what has to be in place? So that very first day isn't one of those <inaudible> well, uh Oh, a couple of things need to be in place. One is obviously the individual you were speaking with did not have that picture of what it is they wanted their future to look like. That's where they left their business. <inaudible> so you know, kind of ties in with a previous episode that you had. Kevin spoke and he was talking about his five priorities and as I recall, they were Oh, family fitness, finance friends and fund and foundation.

Speaker 1 14:30 And he had a description of each one of those. And Mmm. As I <inaudible> Kevin explaining his five principals, I was kind of coming up with a mental image of what that might mean for, for myself. And then, you know, also you had Steve Pulaski on episodes. It was in the late seventies 77 and 78 I believe, where the episodes, and he's talking about, you know, before you can transform your business, you need to transform your own thought process. And so if I tie it into the but we're model 62 year old business --

-- owner who is trying to tee up their life for retirement, what needs to be in place? Well, number one, what is that vision of your future? What do you want to do? I mean we can only golf and hunt and fish and well it's tough so many times, but what is it that you're going to do to wake up in the morning to give yourself a sense of meaning, a sense of direction, a sense of purpose.

Speaker 1 15:33 And so, so that's one thing that comes to mind that needs to be in, in place. And then the second thing is whatever that transition plan is, again, it's not going to be successful unless it gives you the financial security that you need day one for the rest of your life. But what I mean by that is I'm not a big favor. So Janet, if you're the business owner, I'm not a big favor in coming up with a game plan where <inaudible> as the business owner <inaudible> as the selling business owner. <inaudible> holding the note or holding the paper. Well if I'm buying the business from you, I really need to get my own outside financing somewhere somehow because you really don't want your financial future contingent upon me making a goal of the business. So what does that picture of your future and you being financials, financially secure, knowing you have cash in hand to move forward.

Speaker 2 16:39 So what are some of the stumbling blocks that are getting that get in the way here in this process?

Speaker 1 16:46 Making widgets, dealing with people you know, you know we're business owner, clients are busy and I'm, I'm in awe of the manufacturing people that you have on your past and are on your podcast and all of the moving parts that they are juggling on a daily basis. That's a common stumbling block. And another one is they may be experts in their field and in their particular business, but they really don't know what to do. They don't know what step to take first to move forward. And unfortunately in the advisor community, there's a lot of what I call silo planning going on. So the legal community is going to do their thing. The accounting community is going to do their thing. The insurance community, their thing, the merger and acquisition their thing. But seldom, I'm not saying never. Seldom is there a collaborative effort to get those advisers around the table have a clear idea, Oh, where that business owner sees themselves going in the future so that everybody can put their chips on the table and give their advice and make some suggestions as to what would be in the best interest of a, the client.

Speaker 1 18:06 That's a big stumbling block.

Speaker 0 18:10 I think that you've probably seen some incidences where it has been very clear that the clear vision wasn't there. And <inaudible> you can probably share some horror stories about how this can go horribly wrong. So can you share one with us?

Speaker 1 18:29 I have two quick ones. One would be, one would be a gentleman that left his business was uh, in retirement for I wanna say two and a half, maybe three years, and found himself, this is quote without meaning lacking purpose and wanted to get engaged and he ended up going back into the workforce as a consultant. Two, have a sense of meaning, purpose and make an impact. Okay. Another is a business owner that did really did not give ample thought to a transition plan, didn't have the advisor <inaudible> put together and he ended up selling his business for really less than the money that he really needed to float his boat for the remainder of his life. Didn't have a vision or a picture of what he wanted to do. And within a two year time period was in an entry level retail job,

Speaker 1 19:44 making some money just to kind of make ends meet, then have something to do. Wow. So I take a look at those situations and said, and say, or think had I had an opportunity to have a conversation with them and say, let's just take a step back from all of the noise. Tell me what it is that you would like to have happen after you leave your business? What do you look like without your business? What does your business look like without you? What are you going to do yourself? You're with your family. Do you want to get involved in some community activities? And let's just start to paint that picture. Let's create that vision of what it is that you would want. What's going to excite you moving forward? You know the average, so I heard a stat, so there's 10,000 individuals, baby boomers t --

-- urning age 65 every day, and the average life expectancy of a 60 year old is approximately 20 years. So now what that means is half of those 10,000 people are going to die sometime before age 85 and half of those 10,000 are going to live longer than 85 so they average is 85

Speaker 0 21:06 okay.

Speaker 1 21:07 So, okay, if you're on the average or beyond that, Hmm, those are a lot of mornings to wake up and figure out what to do.

Speaker 0 21:17 That's true. And you know what? They call them the golden years. And I've heard people say that they aren't so golden because, you know, if you don't get it right, you do worry about money. Your brain is idle and you're bored and you spend a lot of time watching TV and whatnot. And that's not really ideal. I don't think what we're all set to retire for. So let's talk about, you've given us some of the scary pictures. Let's talk about the impact that you've seen this process have when people get it right.

Speaker 1 21:47 Sure. And there are a number of those stories. Also, I can think of, uh, uh, client who, while he was actively engaged in his business, he is now in his early eighties. So for a, that's when he took over, he was second generation and he took over from his father when he was in his late forties, and in his fifties, he started to assemble his advisory team

Speaker 1 22:17 to meet on a regular basis and just talk about a number of agenda items that were important to him. And over the last probably 10 to 15 years, not every quarter, but almost every quarter, his legal counsel, yes. Accounting council, financial planner, uh, property casualty insurance folks got together and they had an agenda of items to discuss, keep track of, make progress. Yeah. Every quarter this was done. And he knew what the succession plan was going to be. He had a third generation son that was involved in the business. Second generation knew that their generation was not ready to take over the business. And so they put an incentive plan in place for a key person to stick around for, as I recall, 10 or 12 years until second or third generation was ready.

Speaker 1 23:22 And third generation has now been running that business for approximately three years. And it's going very well. And it's because they really put the time and the energy into figuring out what do they want to do and let's figure out what that strategy is and then let's execute the, the strategy on a regular basis. And my head is off to those folks. You know, they, they walk the talk, they're the ones that people are writing books about this, this is what you need to do. And this isn't rocket science. It's just takes a little time.

Speaker 0 23:56 <inaudible> that's some thought. Right. So

Speaker 1 23:59 absolutely.

Speaker 0 24:00 Yeah. So you've, you've painted a couple of scenarios there and I, I actually haven't been doing the math on the time. So when, when actually should people start thinking about this? Is it five years out, 10 years out, 15 years out or does it depend on the complexity of your situation?

Speaker 1 24:17 Yeah, that's a good question. I've, I have heard and read a number of different responses to that question all the way from about 30 days after you started your business, you ought to be thinking about this, which, and to me that seems a little bit too early. We're still trying to figure out,

Speaker 0 24:36 yeah,

Speaker 1 24:38 people flow and cashflow and all that good stuff. But generally speaking, I would say if a business owner has an idea that they would, or a thought process that they, I would like to <inaudible> exit or leave their business in five years, 10 years, then, um, generally speaking, I would start that process five to 10 years out, age 55, let's call it that. If the typical business owner age 55 sat down with an advisor who had the skill set to talk about, uh, transition planning and second half of life issues and all that stuff, and then bring in the other advisors so that there can be a collaborative team approach. That's going to be the best, best case scenario. How for those business owners who have not done that, then they are in there whether early sixties, mid sixties late sixties early seventies. Is it too late? Absolutely not. But I know what doesn't work. What does not work is too keep your nose to the grindstone, go to your <inaudible> trade association seminars, sit in on a --

-- seminar about succession planning, business continuity planning and make a couple notes. They go, yeah, that's a good idea. I should, I should do that. And then get back in the fold and get busy making widgets and putting out fires and doing whatever you gotta do. <inaudible> that plan doesn't work. <inaudible> going to take someone with some energy, someone with some passion that wants to give some direction to the business owner to go down that path.

Speaker 0 26:19 Somebody is going to ask you the right questions.

Speaker 1 26:23 Yeah, that's right.

Speaker 0 26:24 Right. Yeah. Because yeah, because you know, sometimes you sit there and you're thinking, well yeah, I want to retire and I want to whatever. But then you're not asking yourself the key questions and somebody like a third party person like yourself comes in and says yes, but have you thought about that? Oh no I haven't. Right. So let's talk about what the first, that best first step to get started is. Because I think that there are probably, um, a number of things people can think about doing as a first step. But in your experience, what's that best first step?

Speaker 1 26:57 Well, I'm going to be a little biased because I think the best first step is the first step that I suggest my clients do. And, and that would be to, um, all right, Hey, complete that scorecard exercise. And then the next step would be to answer the question. And, uh, so the title of this question is the three year question. And the question is, if we were having a similar conversation three years from today and you were looking back over those three years, what has to have happened professionally and personally for you to feel happy about your progress?

Speaker 1 27:33 So the question again, if we were having a conversation, similar conversation three years from today and you're looking back over those three years, what has to have happened personally and professionally for you to feel happy with your progress and just jot down the answers to, to those questions. And then there's a, there's a great YouTube video, it's 15 minutes long and if somebody wants to Google it, the name of it is creative genius colon for some I colon <inaudible> and the author is Patty P a T T I, Debra <inaudible> and we spelled it DOB R O w Oh L ski. And she does a great job in 15 minutes of helping people. I understand a simple process to just sit back and dream about what is it that you would like in your future. And then either write it out in shorthand somehow or draw a picture of what that looks like. And then figure out what steps do you need to move forward. <inaudible> help accomplish that goal. It's a great YouTube video and again, the name of it is creative genius semi-colon. Okay.

Speaker 0 28:59 And it is a great video. Yeah, I've watched it two or three times now, Patrick. And it's really effective

Speaker 1 29:06 I think. So I have incorporated that into my planning. So I put together a guidebook and um, you know, it's, uh, I'm pretty good at plagiarizing but I give credit to everybody that I'm stealing ideas from. The guidebook is, is put together. So there's, Patty's idea is in there and I used some ideas from, uh, entrepreneur coaches, uh, retirement coaches and organizational psychologist and it's really my best effort to synthesize the process of what a person may need to go through too. Identify w what's that picture of their future?

Speaker 0 29:47 Yeah. <inaudible>

Speaker 1 29:48 what does that look like? And then we can reverse engineer and figure out, okay, what do we need to start thinking about and doing today to get there?

Speaker 0 29:55 You did tell me to, one of the, one of the things that you suggested for removing stumbling blocks is to think of, you know, five or 10 experiences or things that you don't want to ever repeat again. And I thought that that was a really good way to look at it too. Because you know what, sometimes we always do as we always did and we always get as we always got and we can't figure out why. So you have to look at what, why do you keep getting this same thing and figure out how to stop that process.

Speaker 1 30:26 Right, right. Well, what I've learned in my reading, uh, is that it's much easier for us to remember our past than it is to imagine over future. And so, uh, Equis fricking ingestion of Dan Sullivan from strategic coach, he said something like, if y --

-- ou want to get a jumpstart in figuring out what your future w what you want your future to look like, just get a pad and paper. And

Speaker 0 30:56 what are the 10

Speaker 1 30:57 experiences that you had in your life that you do not ever, ever want to experience again? Get 10 of those down and then take a look at that first one. <inaudible> flip it <inaudible> right out a positive statement that is going to be the opposite of that, of that experience.

Speaker 0 31:19 Yeah,

Speaker 1 31:20 that's right. Very likely. Something that you might want to plug into your picture of your future.

Speaker 0 31:28 Yeah, no,

Speaker 1 31:29 I, I did that exercise myself and I found it to be extremely effective.

Speaker 0 31:34 There's a lot of great tools here, Patrick, that I think that it can really help people, uh, get a good look at what they think their future would be. And I really appreciate your insights, Patrick. It's always really a educational to speak with you. So thank you so much for, uh, being on the podcast today.

Speaker 1 31:53 Absolutely. Thank you, Janet. It's a pleasure to share this with you and I hope your listeners are able to benefit from it.

Speaker 0 31:59 I'm sure they will. Patrick Bradley as a personal and business planning advisor, his company has manufactured financial solutions. That is our show this week. Please check out our Twitter and LinkedIn feeds and subscribe and share this podcast with your friends and colleagues through iTunes, Google play, Stitcher, Spotify, and YouTube. And as Patrick mentioned, don't forget to go on YouTube and look for creative genius you by Patty Dubroski. It is a really, really great video to watch and make it right. Podcast is brought to you by Kevin's QTC leadership advisor and author of the bestselling book, make it right, five steps to align your manufacturing business from the front line to the bottom line. Until

Speaker 3 32:40 next time, I'm <inaudible>, thanks for listening to the mega ride podcast.

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