

# SEIZING THE OPPORTUNITY A Fresh Perspective

Wealth Management  
After Liquidity Events

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*Having started the business from nothing, now having sold it, the challenge for me mentally has been having one part of my brain telling me to go and buy a Porsche and another part of my brain telling me I need to protect and grow every cent.*

*Leading Creative Agency Co-Founder and Koda client*



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In April of 2016 Koda Capital published 'Seizing the Opportunity', a series of insights uncovered through interviews with current and former business owners.

The research highlighted the common wealth management concerns shared by entrepreneurs following the sale of their business and the critical role of specialised wealth management advice in addressing these concerns and providing the peace of mind to entrepreneurs as they enter their next phase of life.

Having recently completed interviews with a new set of business entrepreneurs, 'Seizing the Opportunity – A Fresh Perspective' is an extension of the first edition. Our new research both confirms our first set of findings and introduces new insights into the challenges faced as individuals and families look ahead following the sale of a business.

# Executive Summary

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The total or partial sale of a privately held business - also known as a 'liquidity event' – is usually the culmination of years of hard work, considered risk taking, determination and tremendous energy. In many circumstances, the proceeds of the liquidity event may be sufficient to provide long term financial security to not only the business owners and their immediate family but also the next generations.

It is also often a time of powerful emotions, as the result of a lifetime of work changes hands.

Financial security does not always mean financial peace of mind, and it is for this reason that many entrepreneurs seek specialised, independent and dispassionate advice about:

- a) How to prepare for a liquidity event including maximising tax efficiency and net after tax proceeds;
- b) How to sensibly invest, preserve and transfer the wealth which has been realized by the liquidity event;  
and
- c) When and how to engage the family to form a shared purpose for part of the wealth and minimize the risk of the new-found wealth damaging family relations.

Finding and partnering with the right trusted adviser will lay down the foundations of confidence which, in turn, allow the former business owner(s) to pursue their other passions as they enter the next stage of their lives.

The content of this paper is based on interviews conducted with the clients of Koda who have recently sold their businesses, their families and the corporate advisers who have assisted in the sale process.

All interviewees provided insight into the personal, emotional, professional and financial dimensions of the overall journey and we thank everyone we spoke with for their valued contribution. Koda becomes a better advisory firm through our deeper and shared learning with clients.



## About the Author



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

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

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