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Rural Minnesota Business Succession and Sale: Barriers and Opportunities

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The future is here

Minnesota is facing a threat to the economic and social life of rural areas. According to data from the U.S. Census, 53% of Minnesota business owners are over age 55.[1] The state boasts over 525,000 businesses,[2] but due to this "silver tsunami" that has already started, over 52,000 businesses are expected to change hands or dissolve in the next five to ten years as their Baby Boomer owners retire.[3]

These businesses represent roughly 600,000 employees, $124 billion in revenue, and $24 billion in payroll, says the Minnesota Center for Employee Ownership, and their industry sectors include everything from professional services and retail to construction, healthcare, and manufacturing.[4]

Most owners have 80% to 90% of their financial wealth tied up in their businesses, according to the Exit Planning Institute,[5] which suggests that the cash these business owners need in retirement is only available if they can sell their business or transfer it to new ownership. This transaction caps decades of work on the owner's part, but although the deal may be small by corporate standards, the impact and stakes are enormous for the seller and buyer.[6] The financial security of many Minnesotans, therefore, rests in a successful and profitable transfer of ownership.

The healthy continuity of business ownership has important consequences for the wellbeing of other businesses, people, places, and the economy of Minnesota as well, affecting an ecosystem of stakeholders beyond the business owner that includes the "employees, vendors, customers, charities, and the surrounding communities, for whom the owner provides jobs and social well-being."[7] Business owners are often leaders in their rural community, too. Therefore, when a business sells, the new owners (who are usually younger than the previous owner) are well

[1] Darger et al., 2024.
[2] U.S. Small Business Administration Office of Advocacy, 2023, p. 1.
[3] MNCEO webpage
[4] Minnesota Center for Employee Ownership, https://www.mnceo.org/the-silver-tsunami.
[5] The Exit Planning Institute, State of Owner Readiness Report, Minnesota, p. 3.
[6] Stambaugh & Yu, 2021, p. 88.
[7] The Exit Planning Institute, State of Owner Readiness Report – Minnesota, 2023, p. 3.

positioned to become local leaders themselves, continuing to enhance and grow the local economy and their community.

For many business owners, the sale or transfer of their business will be the defining financial moment of their career.[8] Thus, it seems that any time would be a good time in the life of a business to begin considering succession, sale, and transition plans, but particularly as the owner approaches retirement. And yet, according to recent research by the University of Minnesota Extension, only 19% of business owners have reported working on a written succession or exit plan in the last three years.[9] Even more concerning, only 30% of all business sales close successfully on the first attempt, meaning that 70% of these deals fail the first time around.[10]

There are many reasons why an owner would not have the time or resources to focus on succession planning. Operating a successful business anywhere takes hard work and dedication. But owners in rural areas face particular barriers to succession and exit planning that are not as significant in more urban communities:

- Lack of access to resources for succession and exit planning.
- Lack of clarity on all the forms their exit or transfer can take.
- Lack of appropriate advising for their unique situation.
- A general lack of a systematic process of succession and exit.

Despite its importance, though, little data has been gathered directly from owners who have experienced a business exit. In this first report, which will look at the state of succession planning in rural Minnesota, we'll identify barriers to and facilitators of successful succession planning through interviews with a selection of business owners who have been through the process themselves. We'll see how the process and resources needed for a successful business succession and exit are fragmented in rural areas and can be difficult to access, resulting in outcomes that are often unplanned and therefore may fall short of the business owner's goals.

The importance of small businesses in rural Minnesota

Over half of businesses (54%) in Greater Minnesota (and the state) have fewer than five employees, while 95.3% of businesses outside the Twin Cities metro have fewer than 50 employees, making the fate of small businesses important for not just their owners but also their employees and the communities they live in.[11] (See Table 1.)

A study by the Exit Planning Institute indicated that approximately 89% of Minnesota's small businesses are owned in part or in full by family,[12] and therefore, the sale of a business is often the largest transaction in the owner's personal, professional, and financial life. The transition also carries outsized implications for the community, region, and state due to the meaning a business has in a rural area, both socially and economically. Rural communities and the rural economy originated in much of Minnesota with farming families, but they survive and thrive today through the local business community. Today, small businesses are the lifeblood of a rural community,[13] providing the goods, services and jobs needed to sustain the community.[14]

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[8] Stambaugh & Yu, 2021, p. 88.
[9] Darger et al., 2024.
[10] Exit Planning Institute, State of Owner Readiness Report – Minnesota, 2023, p. 12
[11] MN Department of Employment & Economic Development, *Small Business Success.*
[12] Exit Planning Institute, State of Ownership Readiness Report – Minnesota, p. 10.
[13] Templin et al., 2017, p. 283.
[14] Pett et al., 2021, p. 52.

Table 1: Employers by size, 2015. Source: U.S. Census, County Business Patterns via [MN Department of Employment & Economic Development.]

Number of Employees	Minnesota		Greater Minnesota	
	Number of Firms	Percent of Firms	Number of Firms	Percent of Firms
1-4	79,797	53.7%	35,526	53.9%
5-9	26,348	17.7%	12,952	19.7%
10-19	19,740	13.3%	8,854	13.4%
20-49	13,847	9.3%	5,470	8.3%
50-99	4,828	3.2%	1,705	2.6%
100-249	2,870	1.9%	973	1.5%
250-499	789	0.5%	282	0.4%
500 or more	447	0.3%	139	0.2%
Total Firms	148,666	100.0%	65,901	100.0%

Rural business owners create and lead successful businesses that serve and support the citizens of Minnesota despite many challenges: concerns over taxes and regulations, the cost of doing business, balancing the day-to-day tasks of working *in* the business with the longer-term job of working *on* the business. They also value their role as community members, of providing excellent service, and being good neighbors.

Research suggests that choosing to locate a business in a rural community is a decision motivated by lifestyle.[15] With these "lifestyle businesses,"[16] the goal is often to provide enough income to allow the owner to enjoy a rural life rather than focusing solely on growing wealth. They can also be the result of "necessity entrepreneurship,"[17] businesses that are started out of a need for employment or to bring a good or service in the community.

For the community and region, though, these businesses hold a deeper meaning. While they provide access to goods, services, and importantly, contribute to a quality of life for a rural community,[18] they're also critical to the growth of the economic region, supporting the region's economic ecosystem of businesses and farms. Additionally, these businesses are often generous philanthropic supporters of local nonprofits, community events, and celebrations, facilities such as libraries or community centers, and activity needs like the local high school booster club.

[15] Yu & Artz, 2021, p. 650.
[16] Lamb & Sherman, 2010, p. 10.
[17] Yu & Artz, 2021, p. 648.
[18] Templin et al., 2017, p. 283.

Why rural?

Growing up in a rural community is the largest predictor of choosing a rural community after college,[19] but the draw for families selecting a hometown in their 30s and 40s may also revolve around factors like the price of housing, crime rates, and population densities,[20] which can make rural Minnesota quite attractive, especially to younger people looking to establish a home, raise a family, and pursue a career. Another advantage of being in a smaller community is the value of reputation and connections to relationships and financial opportunities.[21] The Center for Rural Policy and Development found a sudden and modest in-migration to rural Minnesota communities during and after the COVID pandemic.[22] The choices of these Minnesotans reflect their values and dreams for the future, so it stands to reason that, motivated by lifestyle choices available in rural locations and new ways of working that came out of the pandemic, many young Minnesotans may choose to locate in rural Minnesota, and many of them may be looking to buy businesses of their own.

How a business transition works: Talking to rural business owners

As owners turn their businesses over to the next owners, they face a new stage in their professional lives; at the same time, the businesses themselves also enter a new phase in their lifecycles. Done successfully, this new stage can trigger growth and re-invigoration of the business.[23]

For this report, we interviewed Minnesota business owners who had gone through a business transition within the last seven years with most (9 of 11) transitions happening between 2021 and 2024. These owners were individuals who had recently gone through the process of transferring ownership of their businesses, which were located across Minnesota and represented multiple sectors, including tourism, construction, retail, and professional services.

Discussions with them revealed some key insights around what triggers a decision to sell or transfer ownership, the experience of the process, barriers to success, and facilitators of success. With the exception of closing the business and liquidating its assets, these owners' business succession stories and lessons learned represented most of the strategies for business transfer of ownership. Although the sample is small, we can begin to see a picture of the unique challenges and opportunities for owners in rural business transitions.

In executing a business transition, the focus is often on the *event* of the sale or succession, but in reality, a business transition is a *process* that takes much longer and is more involved than it may appear on the surface. Thus, the time to start preparing may be much sooner than anticipated.

The resources necessary for this transition process are complex, though, and can be hard to understand, and fragmented, especially in rural areas, making them difficult to find. Fully transitioning a business to a new owner and the old owner's exit takes both internal and external individuals, largely in the form of an advisory team, the members of which are typically bankers, accountants, attorneys, financial planners, consultants, and family members. Communication is key, as is organization. The process must proceed in the correct order to achieve optimal results, and it will require new solutions and cross-silo collaboration.

A way to understand the full process is to break it down into three stages:

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[19] Yu & Artz, 2021, p. 650.
[20] Yu & Artz, 2021, p. 650.
[21] Yu & Artz, 2021, pp. 650-651.
[22] CRPD, The State of Rural 2024.
[23] Templin et al., 2017, p. 289.

- **Stage 1:** Preparation for the coming transition itself by educating oneself on and choosing an exit strategy option (and a plan B if the first strategy doesn't work), developing a written plan, identifying potential advisory team members, preparing mentally for the change in one's own life, and preparing the business.
- **Stage 2:** Assembling the transition team appropriate for your exit choice, which would ideally include outside advisors (bankers, attorneys, etc.), then putting the exit plan into motion.
- **Stage 3:** The owner and buyer finalize the exit, and the now-previous owner transitions to their next role in life.

Since rural owners are connected to their communities in important ways, their goals for the business transfer and how it is carried out are likely to be unique to their context and situation. Goals can include confidentiality, positive relations with the community, maintaining deep-rooted value systems in the culture of the business, care for their employees and their clients/customers, and positive financial outcomes for the former owner and business.

Each stage requires completing specific activities and outcomes for both the business and the exiting owner. Through the research and conversations with business owners, we were also able to identify a number of barriers that go with each stage, preventing owners from carrying out their business exit in the best way possible. Many of the barriers aligned with national trends, and others were concerns specific to rural businesses.

Stage 1: Awareness & Preparedness

As the U of M Extension study found, a business owner is ready for transition when they have a written plan, a formal valuation of their business, have talked to their family, and in the case of inter-family transition, have begun training their successor.[24]

Our interviews found, though, that not all owners were prepared when the trigger signaling that a change was needed came along. The trigger for six of the eleven owners was a need to improve the business or put the next business model in place. One owner from southern Minnesota commented, "I knew for future growth and transition, I could be the problem, so it was time to find a new owner." In the other five of the eleven transitions, the trigger was a willing buyer or impending burnout. "I wanted to get rid of [the business] because I couldn't sleep," said another southern Minnesota owner.

"It was an emotional event," said a northern Minnesota owner about pulling the trigger on the sale of a multi-generational business. "But I think my dad was the first one who looked at it and said, 'You just have to do it. It just makes sense.'"

Only two of the eleven owners interviewed, however, had a succession plan already established before starting their business exit process. "The sale came fast and furious," said an owner in western Minnesota, "faster than we expected."

Stage 1 barriers. Awareness, preparedness, and knowledge: You don't know what you don't know.

Many of the barriers that come up in the first stage of business transition involve simply being aware that that a succession plan is a good thing to have *before* an owner needs to start looking for a buyer or transitioning to the next owner.

- *Not knowing when to start and where.* Not being fully educated on all your exit options and the overall process. Not being aware of how much time it could take, and therefore not starting early enough. Transfer options like an ESOP or other complex approaches take extensive education and preparation to pull off. Once some owners

[24] Darger et al., 2024.

put the process in motion, they found they didn't have a full understanding of all their options and less time to establish their priorities, goals, and desired outcomes than if they had prepared a plan beforehand.

- *Time.* Not making the time to prepare when you are concerned with the day-to-day operations of the business. Some of the tasks that take time: making a thorough inventory list, documenting your processes, updating your customer list, and learning how to get an accurate business valuation, even though the formal valuation will come later.

  The entrepreneurial nature itself can also get in the way of proper preparation. The entrepreneur is often focused on maximizing an opportunity and depends on fast action and a penchant for disruption.[25] However, the pioneering and risk-taking behavior that allowed growth and success in building the business may not provide the skills and orientation for a planned and lengthy process such as succession and exit planning. By not taking the time to outline the priorities, goals, and future of the organization, entrepreneurial owners may find themselves at a disadvantage once they are at the table negotiating the biggest transaction of their lives. Being prepared and having a plan buys the owner time to make the *best move* versus the *convenient one.*

- *Attracting a buyer.* Lower population density in rural communities means there may not be a mass of potential buyers seeking to buy your business. If not, how will you attract them? Does it matter to you and the community if they're not local? If they're not local but it's important to you that they are, how will you make your community attractive?

- *Timing.* Is this the right time to exit the business? The owners may feel the weight of the decision and event even if they don't know all of their options for the transition yet. One southern Minnesota owner commented, "I just felt like I had all my marbles on this deal and was struggling, even though we were making money." Another owner from western Minnesota felt similarly, "Quite honestly, we don't want to own this forever. And so we needed this to be successful. We made this transition to be successful."

Stage 2: Finding an Advisory Team and Planning the Execution

A team of advisors is necessary for what is a large and complex process, yet the U of M Extension study found that 65% of business owners indicated they did not have an advisory team ready.[26] Assembling an advisory team can be challenging in a rural area. Smaller rural communities often lack multiple professional service providers, and if they are present, the local attorney, accountant, or banker may not be a viable option because of issues like conflict of interest (e.g., the closest attorney also represents the buyer), or the local bank is unable to handle a transaction of that size.

Stage 2 barriers. Distance, distance, distance.

- *Distance.* Distance is the key to so many issues in rural areas. Not enough distance means everyone knows your business. Too much distance means not having local access to all the technical services needed to execute the plan—an attorney, CPA, business broker, banker, financial advisor, wealth manager, value advisor—therefore having to cast their net wider to find the right people for their situation.

- *Advice.* Who should I talk to, and who should I talk to first? In rural areas, a business transition is a public and visible event that has the potential to send ripples through the community. Because of this reality, rural business owners might choose to go through the process on their own, depriving themselves of the valuable advice they could get from those who have already gone through the experience. But to find people they feel

[25] Immelt in Ries, 2014, p. ix.
[26] Darger et al., 2024.

comfortable divulging all their business details to, they may need to search farther afield for an advisory team, and that takes time. The result can be not forming an advisory team right away or at all.

- *Confidentiality.* This is a critical one. For many different reasons, a business owner may not want everyone knowing they are looking to exit their business. They might be concerned (and rightfully so) about losing customers; upsetting employees with the uncertainty of the process or the feeling of being betrayed; community members thinking someone in the family is sick or couldn't handle the legacy; that someone might want to sabotage the deal; or that people will think the owner is coming into money. As one northern Minnesota owner said, "He was the longest running leader of our business, so that transition would be the one that people watch the most." Not spooking anyone is important. The timing of who can know what at what point is typically stressful for the owner, and in a small, close-knit community, feelings might be even more intense.
- *Choosing the right moment to talk.* Besides not talking to people at all, not talking to the right people at the right times can also create problems. Did I ask my kids? Did I talk it over with my spouse, etc.? The relationships with clients, employees, and vendors are important to the owners. Therefore, for the business to remain healthy, the transition must respect these important stakeholders and will require carefully planned communication and appropriate confidentiality throughout the process. Many business owners expressed a desire to be transparent with all parties and felt a responsibility to communicate with them as much as possible, but it was balanced with a need to withhold information from close individuals at certain times. Such behavior may look like a lack of trust when it is in fact the parties involved carefully managing a delicate situation with much at stake.
- *Knowing their own mind.* Once the advisory team is formed, the owner must be able to take all their advice and align it with their own business and their own needs, decisions, and actions.

Stage 3: Getting Across the Finish Line

Establishing a plan for the immediate future as well as a long-term vision of life and purpose after ownership is an exciting but overwhelming prospect for most people. The skills, knowledge, and abilities of former business owners are needed in many capacities. Whether entering retirement and focusing on personal hobbies and family or pursuing a new venture, mentoring, or building a new business, the benefits these former owners bring to any new activity are unquantifiable. However, letting go has to be planned for, too. Rural owners in the process of transferring their businesses are concerned about the next leader being prepared, costs, and tax implications. Having a plan for their own future, plans for their financial situation, and ensuring the next leader was prepared can help owners feel more satisfied with the process and the outcomes.

Stage 3 barriers. Exit, transition and shifting the mindset from moving forward *without* something to moving forward *toward* something.

- *Not thinking all the way through the process to its end.* Not being prepared personally for what happens next. What are you going to do tomorrow morning when the alarm clock goes off?
- *Getting emotionally "stuck."* For example, getting caught up in regret over the valuation of the business, needing to leave something that they love to do, or wondering if now is really the right time for the transaction.
- *Unanticipated costs at the end.* The cost of getting an accurate business valuation, sophisticated advising to navigate a risky financial move, and the taxes that show up after a sale or transition can be an expensive surprise to someone who didn't know to check into these things beforehand. Due to these concerns, some sales and transitions had to be postponed or re-examined to mitigate loss of the value of the business.

Tax issues that can come up include capital gains, income, and estate taxes. Business sales located in rural areas are more likely to include larger land assets. Manufacturing, construction, and tourism ventures such as resorts and wineries may also include large capital equipment costs. An additional common cost and tax concern for the next owner is being asset rich and cash poor. As land, business shares, and other assets add to a new owner's balance sheet, they are taxed based on their wealth level even if they haven't reached a sustainable cash flow yet. One northern Minnesota owner working on transitioning the business to their child reflected on this challenge.

"It's hard [for them], because I remember when we were building the business, we were just pouring everything back in, money we didn't even have. We were pouring it back in to get our equity up. It's a vicious cycle."

Owners navigate the barriers related to costs according to their values and their priorities for the transfer and maintaining viability of the business. Some owners prioritized the transition over financial outcomes. "Tax-wise," said one central Minnesota owner, "I didn't come out well. But my accountant did the best with what I gave him. I wanted to give the managers buying me out a chance to continue the company that we had built. So I took that [tax hit] to continue the business and culture."

- *Preparing the next leaders.* Who you leave your business in the care of matters, but preparing that next leader takes time. Is that person identified? Are they ready? Did you think they were ready, but they're not showing it now? The progress of the next leader's development could show readiness or derailment at any stage, especially if the owner is looking to leave the business in the family.

  Leadership preparedness for a transition within the company can also be a barrier. Next-generation leaders and/or the new management team need the time and opportunity to grow in leadership abilities with mentoring.

  "There are gaps in leadership in most successions," said a former business owner from northwest Minnesota, "and for us, like many others, you want to replace yourself with someone exactly the same as you, but that doesn't always work. I think in this transition, these guys have allowed the next leader to lead in their own style."

- *Mixing family and business.* Business owners in this study were careful to consider the concerns of their family relationships as well as their business relationships. Transferring leadership of the business to a family member can raise concerns about mixing business and family, especially when it comes to choosing one leader from among potential successors. And although the owner and family members may have operated together for years, when it comes time to value the business, "put a decimal point on it," and move to the technical details of transition, the process can put stress on the family system. One central Minnesota owner commented on setting up the next generation for success. "In order for me to get paid, I need them to be successful. They need the best foundation I can provide, both for their well-being and my own. We had to figure out how to do that while still running daily operations of the business."

- *Not being able to let go.* Will my values remain in the business? Did all my hard work matter? Will they take care of my employees? Does my community care that I left? Finally, a critical point in the event of succession or sale of a privately owned business is the owner's plans for the next chapter. In four of the eleven exit events, the former owner physically moved away from the business. "We intentionally took ourselves away from time to time, so that we were just getting rid of those tasks," said one former owner from central Minnesota. Five of the eleven former owners worked at the firm following the sale or succession on the request of the new owner or as a part of the deal. Six of the eleven went on to start a new venture or nonprofit. The emotions connected to the exit varied, but those who were intentional about their post-ownership plans had the highest satisfaction with the exit event.

Said one former western Minnesota owner: “Gradually, I was less informed and couldn’t make decisions anymore—by design.”

Business succession options

A helpful first step in considering succession is to become familiar with all the options available for transition. More than becoming aware, it is most helpful for the owner to become comfortable with an option or options that fit their business’s circumstances. Succession of a leader and transition of ownership can happen in multiple ways depending on the chosen exit option. There is no one right answer for rural owners and the more options they consider and are familiar with, the more confident they will be selecting and moving through exit. Education and advice from advisors early in the planning stages can help the owner understand and prepare for the option(s) that best fit them.

The more complex the exit event, the more intentional and detailed the plans prior to exit must be. For instance, setting up an Employee Stock Ownership Plan (ESOP) involves more technical and legal requirements than to list and sell a business with a broker, but it is an option for a stable company with a strong culture and a business owner who wants to stay committed to the community.

Below are the more common exit options.

Strategic Buyer: A buyer within the business’s current market or industry. A strategic buyer usually means selling to a competitor. Strategic buyers will usually pay more for a business to gain a competitive advantage.

Sell/Transfer to family member(s): Selling or transferring to a family member is usually done through gifting or purchasing of company shares over time. This method requires a successor to be selected within the family, prepared for the role, and empowered to be the owner and leader of the business.

Third-Party Buyer: A third-party buyer is not a competitor, a family member, or a former employee, but any person or group not otherwise connected to the organization until the sale transaction.

Management Buyout: A management buyout occurs when members of the management team or key employees purchase the business and assume operation as owners.

Sell to existing partner(s): Selling to a partner requires dissolving a partnership and selling one’s shares of the business to the partner.

Private Equity: Selling to a private equity firm is selling to a group that views the business as an investment vehicle. The goal is to maximize the value of the current business to the investors. The business is typically re-sold in 5-10 years.

Employee Stock Ownership Plan (ESOP): A business moving into an ESOP gives employees the opportunity to be owners receiving shares of the corporation. The business owner creates an ESOP, which holds ownership and distributes shares to employees over time with a vesting schedule.

Liquidate and sell assets: To liquidate and sell assets means to dissolve the business and gain cash value for any remaining assets. The business will no longer exist.

Facilitating succession planning in Minnesota

Despite the difficulties in finding and using business transition resources in rural areas, Minnesota does have an ecosystem of business succession and transition organizations that can assist business owners in their succession planning and transition.

University of Minnesota Extension Community Development, Business Succession & Transition

The Business Succession and Transition (BST) group has met for the last three years and is spearheaded by Michael Darger of University of Minnesota Extension. Darger is joined by prominent rural researcher Ben Winchester, working through Community Development in Extension. BST has assembled a collection of cutting-edge research, extensive data, training for businesses, and acts as a gathering spot for the business succession and transition community.

University of St. Thomas Family Business Center

An important member of the family-owned business community in Minnesota is the University of St. Thomas Family Business Center. This active and thriving community of family-owned businesses connects, informs, and supports businesses through a membership model. The center offers a series of programs throughout the year for family business owners and advisors. A key outcome of connecting with other family business owners and learning together is the mental preparedness for this planning process as well as meeting peers in an often-isolating experience.

Granite Partners Private Equity

Granite Partners is a long-term equity partnership with a focus on buying and holding businesses in Minnesota whose unique model is documented in case study through the Harvard Business School and the Carlson School of Business at the University of Minnesota. This model, built by Minnesota businessman Rick Bauerly, uses a long-term holding company focused on developing in specific industry platforms through acquisition of businesses with the long-term goal of remaining in Minnesota. Known as the buy-and-hold model (as opposed to a typical buy-and-sell model of private equity), Granite Companies can be found in communities across the state from north to south and in the Metro.

Nonprofits, Economic Developers, Consultants, Certified Exit Planning Advisors, and Others

A wide array of nonprofit and government-funded services serve specific populations in the business succession and transition community in Minnesota. They include groups such as MNCEO, focused on employee ownership options; Nexus Community Partners, serving communities of color; Metropolitan Consortium of Community Developers; the Minnesota Initiative Foundations; Small Business Development Centers; consultants, and economic development professionals around the state. These groups provide services and supports to people who are looking at transfer and succession. A unique awareness campaign on the value of rural business and life has been the “My Town” Series, which debuted in fall 2024 at the Twin Cities Film Festival highlighting opportunities in rural communities. Additionally, there are business brokers who assist buyers and sellers focused on rural Minnesota.

Moving forward

Transitioning a business from one owner to the next is a complex process full of moving parts, but it’s the attention to these parts that can ensure a smooth process and rewarding outcomes.

For rural business owners, however, there are many barriers to a smooth process. Some of those barriers are common to owners wherever they are, while others are unique to rural communities. And while there are powerful organizations that do excellent work in the field of business transitions, the majority of them are located in the Twin Cities, leading to problems of visibility and distance for business owners. These organizations currently serve complementary and/or the same goals but operate largely in silos.

Small businesses, employers with fewer than fifty employees, represent a full 95% of all businesses in the state, and a large number of them are headed up by aging owners who will be looking for someone to take over for them so they can head into retirement. Who will take on those businesses that support our rural communities, and how will they find the opportunities out there?

The entrepreneurial spirit that started these businesses still exists in individuals who would like to own and operate their own businesses, but they need to find them first. And the current business owners need to plan ahead for the day when that perfect match comes along: the person who is just the right fit for their business and their community.

Education and engagement can help business owners feel more comfortable with asking for help and sharing the information needed to get proper guidance. From understanding how much time succession planning and the process really take to understanding the complexity of the process and maybe even putting their rural life out there as an asset for a new owner, a lot of learning is in the future for our small independent business owners. While this first report was mostly an overview of the business succession environment and the barriers that go with it for rural business owners, future research will delve deeper into the topics, providing recommendations on potential solutions.

Special thanks

Special thanks to those business owners and their spouses who agreed to be interviewed for this report and share their valuable experience.

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