



From Owner to Consultant: Your “Retirement Career”?

Key Takeaways:

- Going from entrepreneur to consultant can help you stay engaged and give back.
- Be clear on the value you can offer to others—and communicate that value.
- Understand the limits of your new role before you jump in.

Baby boomers own 2.3 million small businesses in the United States. Increasingly, we’re seeing more boomer-age entrepreneurs selling their companies or looking to do so down the road.

For some of these owners, exiting the business is serving as a jumping-off point for their next act—as consultants, either to their old companies or to other firms.

Should you join them when it comes time to sell or transfer ownership of your business?

There are plenty of compelling reasons to become an “in-retirement” consultant—and many businesses and industries need experienced pros who truly know what it takes to run a successful enterprise. But it’s smart to tread carefully, if you go down this road.

BENEFITS OF CONSULTING AFTER YOU SELL

Numerous drivers are prompting former business owners to become business consultants after they cash out. Chief among them:

1. **Staying engaged.** Much has been written about how retirees who stay physically and mentally active in meaningful pursuits may be both happier and better able to stave off cognitive decline. What’s more, rising life expectancies mean that you may have a lot more time to fill up after you exit your business. Putting your lifetime’s worth of skills and insights to work by



advising other entrepreneurs can potentially help you keep your mental edge as you age.

2. **Giving back.** Many former owners who had coaches, consultants and mentors who helped them achieve big breakthroughs and generate significant success seek to do the same for up-and-coming entrepreneurs. The desire to offer to other business leaders the type of guidance that benefited you can be a strong motivator.
3. **Scratching the entrepreneurial itch.** Just because you don't own your business anymore doesn't mean you've lost your entrepreneurial spirit. The need to build and create may be a key trait of who you are as a person. If so, consulting can allow you to help others build something of value and further the promise of entrepreneurship—without the burden of being responsible for calling all the shots, as you once had to do.
4. **Additional income.** Hopefully you walk away from the sale of your company with more wealth and a sizable investment portfolio. But if not, offering your services as a consultant with decades of entrepreneurial experience can potentially be a lucrative venture that helps fund key retirement goals with minimal risk.

TYPES OF CONSULTING OPPORTUNITIES

The good news is that demand for business consultants of all stripes is generally strong. Different industries may have a greater need for certain types of consultants than others, of course. But overall, opportunities tend to abound—given (as you know) the many challenges businesses must address. Some of the most popular types of consulting options include the following:

- **Sales:** Help develop a firm's sales processes, identify ways to increase sales and train sales reps.

- **Strategy:** Help optimize a company's vision and direction and work with executive clients to develop business plans.
- **Operations:** Help identify improvements to a company's operational efficiency and effectiveness.
- **Marketing:** Help develop promotional strategies to increase brand awareness.
- **Accounting:** Help assess a firm's financials to create sound financial strategies and enable owners to make smart financial decisions.
- **Technology/IT:** Help assess and improve a firm's use of technology for operations, marketing, sales, security, etc.

MAKING THE TRANSITION

Transitioning from a business owner to a consultant for other business owners should be a generally smooth and easy process—particularly if you were a successful entrepreneur who is well known in the business community and has a good reputation.

That said, as with any initiative, you should develop a plan to make the switch. Here are some steps taken by successful owners-turned-consultants we've worked with:

1. **Identify your value to others.** Even if you were the world's best business owner, chances are there were a handful of things you did exceptionally well that drove your success. Home in on those top skills—they'll be the ones you market and offer to other businesses. However, don't overlook the fun aspect—you want to enjoy the consulting work you do.
2. **Assess demand.** Do businesses want and need the type of expertise you can offer them? Chances are that the answer is a big "Yes!". That said, the types of companies that need your particular type of consulting help may be in a different geographic location—or may be in



different industries than your former company. The good news is that conducting strategic planning and consulting virtually has become increasingly common—giving you more ways to identify opportunities.

3. **Join mastermind and CEO groups.** One way to stay sharp and up to date on consulting strategies is to join a high-performance mastermind group of current and former CEOs and entrepreneurs. These groups meet to address specific issues they face in their businesses. This makes mastermind groups a good source of potential new business too.
4. **Define your offering.** What delivery model will you use to bring your consulting services to other businesses? For example, you might travel to your clients and provide on-site services for extended time periods. Or you might visit once a quarter, or operate via an entirely virtual model. Also, how much of the actual work do you want to do yourself versus giving clients guidance and letting them handle implementation? Your approach will depend on numerous factors, including your own retirement vision for yourself.
5. **Start with low-hanging fruit.** Your entrepreneurial experience likely means you have an extensive list of business contacts you can reach out to right from the start. Don't ignore this low-hanging fruit. You might offer your consulting services directly to them, or seek referrals through them. Either way, existing trusted relationships can help you build the foundation of your new venture.

Important: One step you likely don't need to take is to get professional management certifications. Your extensive experience is what other businesses are looking for and what they value. Having a specific designation attached to your name is unlikely

to have much of an impact on whether you become a successful consultant.

PITFALLS TO CONSIDER

That said, a post-sale consulting career isn't automatically a cakewalk just because you're an accomplished entrepreneur. Nor is consulting the right move for everyone. There are plenty of ways to stay engaged and give back—including volunteering, teaching and joining an existing company as an employee or partner.

If, however, consulting looks appealing, be sure to go into it clear-eyed. There are some important potential negatives to consider:

- **You're not in control.** When you are an entrepreneur, the final say in company matters is yours—and chances are, you've gotten very used to that dynamic. As an independent consultant, you need to be prepared to have your ideas questioned, tested and rejected by someone in the position you were once in. If you happen to consult for the new owners of your business, this could create considerable tension.
- **You may be viewed with suspicion.** As someone being engaged to assess and improve a business, you may be treated as an outsider by company staff—and maybe even by some in management. In this new role, don't expect the people around you to ask how your weekend was.
- **You can get overloaded quickly.** As a successful former business owner, your services as a business consultant may be very much in demand—which means you could easily find yourself committed to a workload that looks very much like your days running a company. That might be acceptable. On the other hand, you may have walked away from your business in order to travel, relax and enjoy the results of your decades of hard work. If you don't



want your retirement career to echo your earlier one, be ready to say no.

CONCLUSION

Life is full of second and third acts. And with any luck, if you transition the ownership of your business, you'll have a lot of living to do afterward. Consulting may be one way to stay engaged and help fuel the entrepreneurial dreams that once fueled you.



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