



MEDIA RELEASE

Xero announces plan to help accountants, bookkeepers and small businesses to prepare for the coming wave of retirement

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Most business owners don't have a plan for selling their business

AUCKLAND, 18 October 2017 — Xero ([@Xero](#)) has launched a new report to help bring the succession planning conversation to the table of New Zealand's small business owners looking to sell their business now or in the future.

A recent Xero survey found that almost 10 percent of New Zealand business owners would like to retire in the next year, with very few of these businesses having a plan in place of how to prepare for selling their business.

Statistics New Zealand estimates that over the next 10-12 years around 90,000 business owners - representing 20 percent of the country's small businesses - will likely retire or will want to sell down their business.

As baby boomers are set to leave the sector en masse, Xero took the opportunity to bring together a working group to look at key short falls with succession planning in New Zealand. This included how it could help advisors work with their small business clients to ensure the country is prepared for a mass exit of baby boomer entrepreneurs.

The report, [Success through succession planning](#) aims to help accountants, bookkeepers and small business advisors have the right conversations with their small business clients so they can be well-prepared when it comes to planning their business exit.

Xero New Zealand Country Manager Craig Hudson said not having an exit strategy poses a number of concerns about whether the business can be sold for its market value, if it's robust enough to survive a sale and if the business has the necessary information to drive a successful sale.

"We want to spur conversations between accountants and bookkeepers and their small business clients about succession planning. This report gives them the right tools and strategies for these discussions to ensure the best possible outcome when it comes to selling their client's business," Hudson said.

"Many business owners have invested blood, sweat and tears into their business. But, this investment can go unrecognised if a succession plan isn't put in place. A lot of business owners don't know what to do when it comes to thinking about retirement and selling their business, so we strongly encourage them to work with their accountant or bookkeeper to plan as far as possible in advance."

The plan includes three phases for advisors to work through with their small business clients to ensure a well executed strategy is in place for pre-sale and sale of the business.

“Getting the books in order is the number one priority. Prospective buyers want to know how your business is performing, where your customers and target customers come from, what products are in demand etc. With online accounting software, this is easy to manage effectively,” Hudson says.

The average age of a business owner in New Zealand is climbing and is increasingly dominated by people aged over 45. Since 2006 the number of people under 45 owning a business in NZ has dropped dramatically.

Hudson added “it’s time to really bring this conversation to life, business owners shouldn’t be afraid to have the conversation with their advisor, and it’s never too soon. At the same time, we need to look further into why few young people are starting or buying a business.”

The report was developed with the contribution of a working group. To download a copy of the report, visit Xero’s succession planning [page](#).

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About Xero

Xero is beautiful, easy-to-use global online platform for small businesses and their advisors. The company has over one million subscribers in more than 180 countries. Xero seamlessly integrates with more than 600 apps. It was ranked No. 1 by Forbes as the [World's Most Innovative Growth Company](#) for two years running, won Technology Provider of the Year for the British Small Business Awards, and was rated by Canstar Blue as Australia’s best accounting software three consecutive years from 2015-2017.