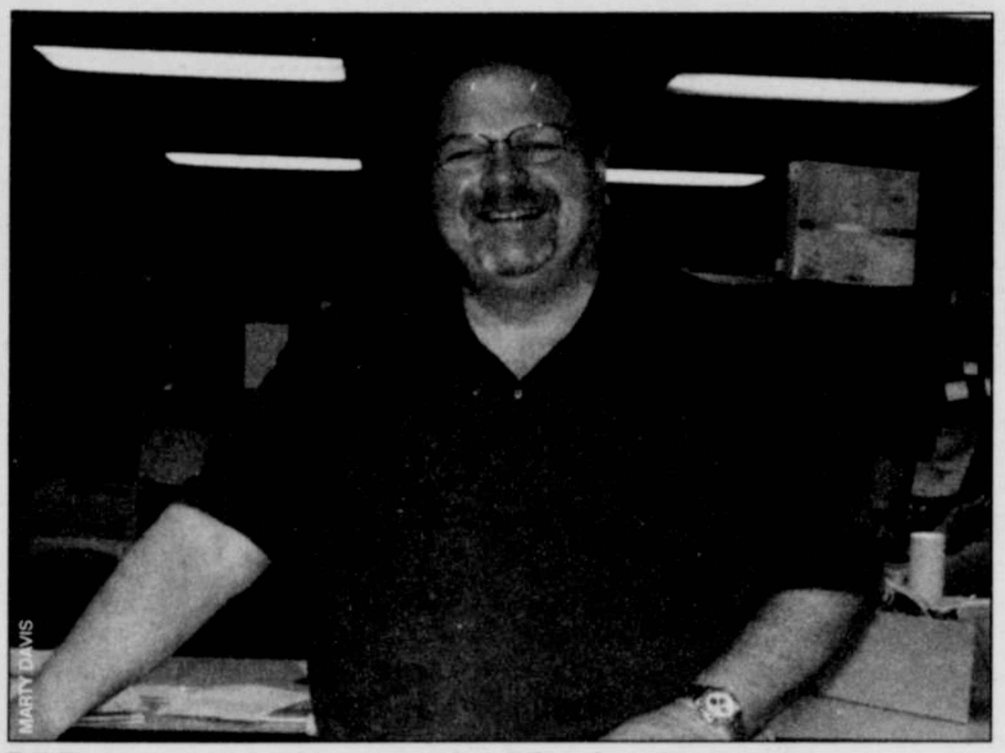


Bill Dickey notes that his estate plan differs from his straight business partner.

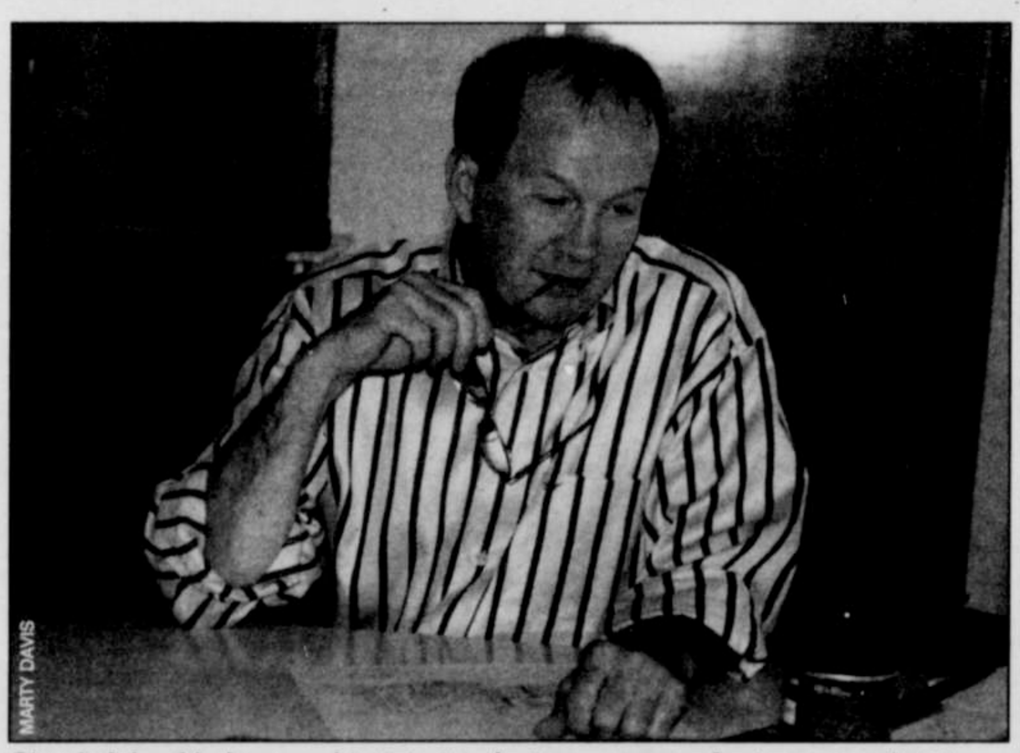
business in its best light for potential buyers.

"When you have to go to an external buyer, it's a whole new dynamic," says Clift. "You have to pre-plan."

Chuck Arbuckle, owner of Chuck Arbuckle Interior Design, understands the value of planning ahead. Though he has been in business for himself for only two years—and he hopes never to leave design entirely—he is consciously building the value of his company and establishing a name. He wants his business to be able to continue without him if unexpected circumstances ever arise.

"I approach life like I do a design project," says the gay designer. "I want to know how long you're going to be there. Are you planning for resale? What's the best thing for you and for someone who will come in later?"

Understanding how a future buyer may perceive a business is essential when planning an exit strategy, as is recognizing the market value of the company. Business owners cannot necessarily assume that their retirement will be fully funded by the eventual sale of the company. Clift says there are many situations in which the seller has unrealistic expectations.



Chuck Arbuckle has run his interior design company for two years but is already making plans for the future.

Green also cautions, "Don't put all your eggs in one basket and figure someone is going to buy your business and you're going to be rich."

Certain types of businesses, like creative and service-based concerns, are inherently less saleable than others because they have more likely been built solely on the relationships and personal skills of the owner. These businesses may not have the kinds of assets that can easily change hands, like valuable equipment or desirable office space.

Owners of very small businesses frequently encounter a similar Catch-22: Though their success may have come from throwing heart and soul into their companies, the business actually loses value when it is built solely on the capabilities of one person.

"It's hard to sell your business if your business is you," says Clift.

Clift believes queer-owned businesses often fall into this category. He sees his clients from within the community as being individualistic and thus drawn to self-employment.

Still, with a little foresight and some hard work, it is possible for the owners of very small or service-based businesses to make a graceful exit.

Ty Jernstedt ran a personal coaching business for a year before deciding to move to Amsterdam with his partner. Because his business is based on the personal relationship between client and coach, he knew selling wasn't an option. So he offered to coach some of his clients by phone or through Internet conferences. Others clients will move on and find new coaches.

"It's important to be flexible with yourself and with clients," he says. "Provide them with different options.... Don't make the assumption that things have to close down."

Early Planning Is Key

In cases where building a successful business may not be enough insurance for the future, owners need to arrange for other sources of income to support them in retirement.

Dickey believes investing in individual retirement accounts is the single most important thing a young person can do.

"If I could go back and replay my personal financial situation from Day One," he says, "I'd be putting money in an IRA from the get-go.... If you always have that blind ace-in-a-hole savings account that you never touch, it's amazing how much that money can grow."

In fact, all business owners will benefit from planning ahead, whether the goal is to make their business self-sufficient and saleable, or simply to make a living and save for retirement.

So it's frightening to find how few business owners are actually looking down the road. When asked about their future plans, several local sexual minority business owners replied that they have never even considered it, while others had given it some thought but had no concrete strategy in place.

Clift has been "fairly shocked and amazed" at the shortsightedness of his clients. He says, "People need to get into strategic planning mode." jo

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