

THE 5 VITAL KEYS TO A WINNING EXIT PLAN

There are few guarantees in life. But for you, the business owner, there is one:

You will exit your business... Someday! One way or another...

The questions are - How? Will you "Win the Endgame"? Will you achieve the goals you set when you started the business? This transition may well be the biggest financial event of your life. A good plan will make all the difference in helping you win when you exit your business.

So, let's start by reviewing the 5 Keys to a Winning Exit Plan.

01

Know Your Financial Needs and Resources. Get clear on your financial goals and lifestyle needs after you exit. Your business has been supporting your life for years, but if you're like many owners, you lack a clear picture of what life will cost after you exit. You'll need to consider your spending, investment options, future health and insurance needs as well as a bit of cash for the fun times. Putting this financial plan together is a key part of the overall exit plan.

02

Pick the Right Exit Option. There are a lot of possibilities besides the obvious choice – selling to a third party. It's not obvious, but some other options may be better for you financially. These options include transfer/sale to family members, sale to management, sale to employees through an ESOP, even holding and liquidating the business. And, sale to a third party can include a several options, such as to another company, an individual or an investor group. Understanding what these different buyers are looking for and which options fit you and your business is critical to making good exit decisions.

03

Maximize and Protect Business Value. How a business is being run can fail to optimize or even hurt the marketability of the business. Understanding salability and the key value drivers that an acquirer will evaluate is critical. Example questions include: Who will replace you and the role(s) you play in the business? What about key employees – how will they react? The same question can apply to key customers and suppliers, too. Most businesses are like houses – you could sell them as they stand, but some clean up and staging will dramatically improve the outcome.

04

Address Estate Planning and Wealth Preservation. It is important to set up your ownership structure and estate planning so that your exit is protected from excess taxes, disputes, legal challenges or even the death of an invested party. Are your will, trust, financial plan, insurance policies and corporate documents up to date and consistent with each other? Even an otherwise successful exit can be jeopardized if these considerations are not addressed.

05

Include Contingency Planning. The best laid plans can be turned upside down by the unexpected – accidental death, disability, natural disasters, fires and so forth. Plans that will enable the business to continue operations, insurance policies that buffer such scenarios, intellectual property protections and key employee agreements will help you deal with the unexpected. The tendency is to think these things happen to other people – but experience shows we can be caught off guard when they happen to us.

06

Bonus – 6th Key. This is perhaps the most important of all: What you will do after you exit your business? Answering this question can be tough. Owners that lack a plan often experience regrets and sometimes health issues or worse. Conversely, those that have exciting next steps planned reap the rewards of successful succession plans and winning exits. Planning the next phase of your life is really key.

The best way to Win the Endgame is preparation. The first step is to complete the free Exit Assessment [here](#) to understand how ready you and your business are right now. Alternatively you can email me at peter@peterwilliamson.com or click [here](#) to book a free 30 minute consultation.