

EXIT PLANNING



What Is a Business Exit Strategy?

A business exit strategy is an entrepreneur's strategic plan to sell his or her ownership in a company to investors or another company. An exit strategy gives a business owner a way to reduce or liquidate his/her stake in a business and, if the business is successful, make a substantial profit. If the business is not successful, an exit strategy (or "exit plan") enables the entrepreneur to limit losses.

Exit strategies vary by business type and size.

Some types of exit strategies include:

Liquidation	Selling it to outside third parties
Acquihire	Selling it to inside key employees
Bankruptcy	Planned liquidation
Passing it to family	Initial public offering (IPO)

EXIT PLANNING



A well-thought-out exit strategy can:

Increase the sale price

Ensure the business continues to thrive after the owner's departure

Recognize the true value of the business

Provide a foundation for future goals and new direction

Convert business value into personal wealth

Transfer ownership on the owner's terms and timetable

EXIT PLANNING



To develop an exit strategy, a business owner should:

Take all business stakeholders, finances, and operations into account

Detail all actions necessary to sell or close

Research current market trends to estimate what price the business may fetch if sold

Some things that encourage potential buyers include:

Cash flow and revenues

Profitability through challenging economic times

Evidence the business can continue to make profit and thrive in the future

Take Time To Plan & Capture The Maximum Benefits