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Thinking Ahead: How to Start Planning Your Business Exit (Without Getting Overwhelmed)

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6–7 minutes

You've built a small business that you are truly proud of, but maybe for the first time, you're wondering what happens *after* the hustle.

Whether you're years away from retirement or simply craving more freedom from the day-to-day, it's never too early to start thinking about your exit strategy. Not because you're ready to walk away, but because **building a business that can run without you** is one of the smartest moves you can make.

And here's the good news:

If you've already started delegating, documenting, or building systems – you've already started your exit plan.

What Is an Exit Strategy?

An **exit strategy** is a plan for how you'll eventually leave your business. Whether you sell it or slowly step back while it keeps running you need a plan.

Exit strategies are not just for retirement, they could support:

- More time with family

- A sabbatical or move
- Starting something new
- Selling or merging your business
- OR fully retiring

The key? Having a business that doesn't rely 100% on you to function.

5 Common Exit Strategies for Small Business Owners With the Pros and Cons

1. Sell the Business

Transfer ownership to a buyer—another entrepreneur, competitor, or investor.

Pros:

- Potential for a large financial return
- Allows for a clean break and full transition
- Often provides flexibility in timeline (immediate sale or phased exit)

Cons:

- Can take time to find the right buyer
- Requires strong financial documentation and valuation prep
- Emotional difficulty in letting go of something you built

2. Pass It On

Hand it off to a family member or trusted team member.

Pros:

- Keeps the business legacy within your circle
- Easier transition for customers and employees

- You may remain involved in a mentor or advisory role

Cons:

- Success depends heavily on the next person's skills and readiness
- Can blur personal/professional lines, especially in family settings (legal agreements are heavily advised when dealing with family)
- You will need legal, financial, and training preparation

It's important to note that when you pass your business to a family member or trusted team member, you still earn income through options like installment payments, keeping partial ownership, or staying on as a paid advisor. You might also lease business assets (like property or equipment) or structure it as a gradual buyout from future profits.

3. Merge or Get Acquired

Combine with another company for shared growth and smoother operations.

Pros:

- May provide capital, growth opportunities, or access to new markets
- Can reduce your responsibilities while keeping a stake in the business
- Opens new resources, tools, and support

Cons:

- You may lose full control of decision-making
- Culture clashes or operational changes can be difficult
- Your original vision might shift

4. Turn It Into Passive Income

Step back from daily operations, still earn from ownership.

Pros:

- Keeps income flowing without full-time involvement
- You can keep your brand alive while gaining personal freedom
- Can scale with the right team and systems

Cons:

- Requires very strong systems, delegation, and trust in your team
- Not every business is structured to generate passive income
- Ongoing involvement may still be needed for strategic decisions

5. Close and Cash Out

Wind things down intentionally, sell assets, and close the chapter.

Pros:

- Gives you closure and a clean slate
- Can be quicker and less complicated than selling or merging
- Allows you to choose the timeline and exit on your own terms

Cons:

- May bring in less financial return (especially if not planned well)
- Can feel like giving up instead of passing the torch
- May impact employees or customers if not handled thoughtfully

What You Can Do Now (Even If You're Not Ready to Leave)

You don't need a full exit plan today. But you can start preparing by doing these 3 things:

1. Delegate More, Document More

The more others can do without you, the more valuable and sustainable

your business becomes. Create systems. Write down processes. Teach others how to do what you do. Use WCE's [Building Efficient Systems for Your Business Worksheet](#) to help you stay organized.

2. Know What Your Business Is Worth

Start tracking your revenue, profit, and key performance metrics. If selling is ever on the table, having clean records will make it easier (and more profitable).

3. Define Your Ideal Role – Then Work Toward It

What role do you want to have in your business *one year from now*?

What about *five years* from now? Do you want to become a part-time CEO? Have a team? A silent partner? Get clear on what *you* want, and slowly shift responsibilities to support that.

Bottom line, your exit strategy isn't just about the end. It's about building a business that's healthy and self-sustaining, so you're never stuck in it longer than you want to be.

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