

BUSINESS SUCCESSION PLANNING: AN EXIT STRATEGY ROADMAP

There is so much chatter about business succession planning and exit strategies. But how is a busy business owner supposed to find the time to plan and more importantly – when is the right time to even begin to think about a plan? It may seem early in your business cycle, but planning should begin once the start-up phase has surpassed.

6 Destinations of the Planning Process:

1. Data Gathering & Analysis: Without knowing where you are, you cannot figure out how to get to your destination.
2. Defining Goals: Your goals after a transition are essential to your plan. You need to define expectations of future income, your dependency on that income, involvement in the business, investments, legacy and values.
3. Identifying Needs: These needs are not just about your goals but also the needs of the business as a whole and management once you exit.
4. Assess Best Case Scenario: With the information you gathered, goals and

needs a picture begins to form of the best case scenario.

5. Evaluate Options: So many options! Keeping the business in the family; gifting shares; trusts; management buyouts; ESOP; 3rd party buyers... each option should be carefully considered to ensure your goals and values are accomplished.
6. Implementation: Once an option, or combination of options, has been chosen – implementation is next. Without implementation all of your time and energy is a wasted.

Several reasons to plan for ownership and management succession include: life changes, mortality, relationships, and taxes. The most important reason to plan is to be prepared. Preparedness is not only for challenges but also for opportunities. For example, you should be prepared for an opportunity to sell to a 3rd party or transition to another industry or business opportunity.

Our attorneys are here to assist you and your business' stakeholders in the navigation of each step.

Exit Strategy Roadmap

