

BUSINESS READY FOR AN EXIT PLAN

HOW READY IS YOUR BUSINESS TO SELL AND WHY YOU NEED AN EXIT PLAN?

WHAT IS AN EXIT PLAN?

An exit plan is a road map to successfully exit a business. An exit plan asks and answers all the business, personal, financial, legal, and tax questions involved in selling a business. Its purpose is to maximize the value of the business at the time of exit, minimize the amount of taxes paid, and ensure that the business owner is able to accomplish all his or her personal and financial goals in the process. An exit plan can be complex and usually requires advice from a number of different specialties.

A WELL-DESIGNED AND IMPLEMENTED EXIT PLAN ENABLES BUSINESS OWNERS TO:

Control how and when they exit

- Maximize company value in good times and bad
- Minimize taxation on sale
- Retain control by generating a number of strategic exit options
- Ensure they achieve all their business and personal goals
- Reduce their stress and that of their employees and families
- Ensure continuity of the business

On the other hand, the failure to create a well-defined exit plan virtually guarantees that business owners will:

- Exit their companies as a result of pressure from outside circumstances, not as a result of their own desires
- Exit their companies on a timetable that's forced on them instead of one that meets their needs
- Undervalue their companies and leave hard-earned wealth on the table
- Lose control over the process by being reactive and limiting their exit options
- Fail to realize all their business and personal goals
- Suffer unnecessary psychological stress
- Watch a lifetime of work disintegrate as a result of poor business continuity planning
- Lose confidentiality during the sale or exit process

The number one reason private business sales fail or only partially succeed is a lack of planning on the seller's part. However, in spite of the importance of exit planning, most business owners spend more time planning a family holiday, than when and how to exit their businesses.

Key to understanding your exit plan is to review how ready your business is to sell to identify the issues that need addressing and opportunities to convert to maximise your sale price on exit.

Refer to resource: - How ready is your Business to Sell Checklist or call 0800 Chamber to have a Specialist Provider assist you.

This resource has been kindly provided by



If you have any questions, please call 0800 CHAMBER (0800 242 623).

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