



E-Book

25 THINGS TO CONSIDER WHEN PLANNING YOUR EXIT

Table of Contents

25 Things to Consider When Planning your Exit	03
Timing	03
Tip #1 Retirement	03
Tip #2 Health Reasons	03
Tip #3 Financial Reasons	04
Tip #4 Personal Reasons	04
Tip #5 Succession Planning	04
Succession Planning	04
Tip #6 Identifying a Successor	04
Tip #7 Transfer of Ownership	05
Tip #8 Training and Development	05
Tip #9 Financing	05
Tip #10 Communicating with Stakeholders	05
Valuation	06
Tip #11 Financial Statements	07
Tip #12 Market Analysis	07
Tip #13 Asset Valuation	07
Tip #14 Earnings Multipliers	07
Tip #15 Professional Valuation	07
Legal and Tax	08
Tip #16 Business Structure	09
Tip #17 Contractual Obligations	09
Tip #18 Employee Matters	09
Tip #19 Tax Planning	09
Tip #20 Legal Documents	09
Emotional Preparation	10
Tip #21 Emotional Detachment	11
Tip #22 The Fear of Failure	11
Tip #23 Grief and Loss	11
Tip #24 Planning for the Future	11
Tip #25 Support	11
A Bit About Us	12
Our History	12
Vision and Purpose	12
Making Business Ownership Easy	12
A Commitment to C.A.R.E	12
Finding a Coach	12



Business ownership can be a rewarding and fulfilling experience, but it can also be challenging and demanding. For many business owners, the decision to exit their business is not an easy one. Whether they're retiring, facing health issues, or seeking new opportunities, there are many factors that can influence a business owner's decision to exit their business.

Timing

Tip #1 Retirement

One of the most common reasons for business owners to exit their business is retirement. As business owners get older, they may no longer have the energy or desire to continue running their business. Exiting at the right time allows them to enjoy their retirement and leave their business in good hands.

Tip #2 Health Reasons

Another common reason for business owners to exit their business is health reasons. Running a business can be stressful, and if an owner's health starts to deteriorate, it may be in their best interest to exit the business. This allows them to focus on their health and wellbeing.

Tip #3 Financial Reasons

Business owners may also exit their business for financial reasons. This could be because the business is not performing as well as expected, or because the owner has other financial opportunities they wish to pursue. Exiting at the right time can help business owners avoid financial losses and pursue other financial opportunities.

Tip #4 Personal Reasons

Business owners may also exit their business for personal reasons, such as wanting to spend more time with family or pursue other interests. Exiting at the right time allows them to focus on their personal priorities and goals.

Tip #5 Succession Planning

Finally, business owners may exit their business as part of succession planning. This is the process of passing ownership and control of the business to another person or group. Exiting at the right time allows business owners to ensure that their business is in good hands and will continue to thrive after they are gone.

Succession Planning

Tip #6 Identifying a Successor

One of the first considerations in succession planning is identifying a successor. This could be a family member, current employee, or outside party. It's important to consider the qualifications and capabilities of the potential successor in order to ensure a smooth transition and continuation of the business.



Tip #7 Transfer of Ownership

Another consideration in succession planning is the transfer of ownership. This includes the legal and financial aspects of transferring ownership, such as drafting a purchase agreement, transferring licenses and permits, and transferring any outstanding debts or liabilities. It's important to consult with legal and financial experts to ensure that the transfer of ownership is handled properly.

Tip #8 Training and Development

Succession planning also involves training and development for the successor. This includes providing the successor with the necessary skills and knowledge to run the business effectively. You should consider providing the successor with mentorship, training, and opportunities for hands-on experience.

It is also important to have a clear communication plan to make sure everyone is on the same page with the changes that will happen.

Tip #9 Financing

Financing is another important consideration in succession planning. This could include providing the successor with a loan or investment in the business, or arranging for outside financing. It's important to consider the financial needs of the successor and the business in order to ensure a successful transition.

Tip #10 Communicating with Stakeholders

Finally, it is important to communicate with stakeholders, such as employees, customers, suppliers, and partners, about the succession plan. This helps to ensure that everyone is aware of the plan and understands the changes that will take place. It also helps to build trust and confidence in the successor, which is crucial for the success of the business.

Succession planning involves identifying a successor, transfer of ownership, training and development, financing, and communicating with stakeholders. By considering these factors, you can ensure a smooth transition and continuation of their business. It is important to consult with legal and financial experts, and to plan ahead to make sure all the details are covered. It is also important to have a clear communication plan to make sure everyone is on the same page with the changes that will happen.



Valuation

Tip #11 Financial Statements

One of the most important considerations in valuing a business is analyzing the company's financial statements. This includes reviewing income statements, balance sheets, and cash flow statements. These documents provide a clear picture of the company's financial performance and can help to identify any potential issues that may impact the value of the business.

Tip #12 Market Analysis

Another important consideration is conducting a market analysis. This includes researching the industry and competition, as well as identifying any trends or changes that may impact the value of the business. For example, if the industry is experiencing growth, this can indicate that the business has a higher potential for future earnings, which can increase its value.

Tip #13 Asset Valuation

Another consideration is valuing the business's assets. This includes physical assets such as property, equipment, and inventory, as well as intangible assets such as patents, trademarks, and customer lists. It's important for the business owner to have a clear understanding of the value of these assets, as they can have a significant impact on the overall value of the business.

Tip #14 Earnings Multipliers

You should also consider using earnings multipliers when valuing their business. These multipliers take into account the company's earnings, revenue, and other financial metrics and can provide a more accurate valuation of the business. It's important to compare the business's metrics with those of similar companies in the industry to get an idea of the business's relative value.

Tip #15 Professional Valuation

Finally, it is advisable to seek professional valuation services before planning an exit. A professional valuator will have the expertise and experience needed to conduct a thorough and accurate valuation of the business. They will take into account all of the factors mentioned above, as well as any other relevant information, to provide the business owner with a fair and accurate valuation of their business.

By considering these factors, you can ensure that they receive a fair and accurate valuation of their business, which can help them make informed decisions about their exit strategy. It is important to keep in mind that the valuation process is complex and requires an expertise, thus, it's important to consider working with a professional valuator to get the most accurate and fair value of the business.



Legal and Tax

Tip #16 Business Structure

One of the first legal considerations when planning an exit is the structure of the business. Different business structures, such as sole proprietorship, partnership, corporation, or LLC, have different legal and tax implications. It's important to understand the legal and tax implications of their business structure and how it may affect their exit strategy.

Tip #17 Contractual Obligations

Another legal consideration is any contractual obligations the business may have. These could include leases, loans, or agreements with suppliers or customers. It's important to understand the terms of these contracts and how they may be affected by the exit.

Tip #18 Employee Matters

You also consider any legal and tax implications related to employees when planning an exit. This includes issues related to employee benefits, severance packages, and compliance with labor laws. It's important to consult with legal and HR experts to ensure that all employee-related matters are handled properly.

It's also important to consider the legal and tax implications of the exit strategy not just for the current situation, but also for any future plans, as it may affect future personal financial situation and opportunities.

Tip #19 Tax Planning

Tax planning is another important consideration when planning an exit. This includes understanding the tax implications of selling the business, such as capital gains taxes, and understanding the tax implications of any proceeds from the sale. It's important to consult with a tax expert to ensure that they understand the tax implications of their exit strategy.

Tip #20 Legal Documents

Finally, it's important to have all the necessary legal documents in place before exiting their business. This includes a purchase agreement, a non-disclosure agreement, and any other legal documents required for the transfer of ownership. It's important to consult with a legal expert to ensure that all legal documents are properly drafted and executed.

By considering these factors, business owners can ensure that their exit is handled properly and that they are in compliance with all relevant laws and regulations. It is important to have a legal and tax expert to help guide you through the process and ensure that all legal and tax implications are handled properly.

It's also important to consider the legal and tax implications of the exit strategy not just for the current situation but also for any future plans, as it may affect future personal financial situation and opportunities.



Emotional Preparation

Tip #21 Emotional Detachment

One of the most important emotional preparation considerations when exiting your business is learning to emotionally detach from the company. For many entrepreneurs, their business is a huge part of their identity and letting go can be difficult. This is why it's important to start thinking about the business as a separate entity from oneself and to begin mentally preparing for the transition.

Tip #22 The Fear of Failure

Many business owners may experience a fear of failure when exiting their business. This can be due to the fact that the business has been their main source of income and identity for a long time. It's important to remember that this is a natural feeling and that failure is not the end. It's important to focus on the lessons learned and the opportunities that the future holds.

Tip #23 Grief and Loss

Exiting a business can also be an emotional process of grief and loss. Business owners may feel a sense of loss for the company they built, the employees they've worked with, and the lifestyle they've become accustomed to. It's important to understand that this is a normal part of the process and to allow oneself time to grieve.

Tip #24 Planning for the Future

It's important to start thinking about what you want to do next. This can be a difficult task, as many entrepreneurs may have difficulty envisioning themselves outside of their business. However, it's important to start planning for the future and to consider what new opportunities may be available. This can include taking a much-needed vacation, starting a new business, or pursuing a hobby or passion that has been put on hold.

Tip #25 Support

Lastly, it's important to surround themselves with a support system during the exit process. This can include family, friends, and professional advisors. These individuals can provide emotional support, guidance and a sounding board for decisions.

Exiting a business can be an emotional and difficult process. However, by emotionally detaching from the business, facing the fear of failure, allowing oneself to grieve, planning for the future and surrounding oneself with a support system, the transition can be made smoother. Remember to take the time to care for yourself and your emotional well-being during this process.

A Bit About Us

Our History

Founded by Brad Sugars in 1993, ActionCOACH has served thousands of businesses and their owners worldwide and in every category imaginable. By showing owners how to get more time, better company teams, and more money on their bottom line.

Vision and Purpose

We want you to succeed. At ActionCOACH, every individual within our team commits to our vision of "World Abundance through Business Re-education, purpose "A Coach in Every Business," so together we can make a difference.



Making Business Ownership Easy

It is time to make a change... With 98% of clients saying they would recommend ActionCOACH, this will be a change we are certain you will be proud of when looking back at your business growth.

A Commitment to C.A.R.E

ActionCOACH clients, whether they be small, medium, or large, will have a desire to have us help them achieve their goals and be able to take on our commitment to them by returning their commitment to ActionCOACH. They will be forward-thinking, willing to learn and grow, and willing to work as a team player in the development of an organization of "people."

Our clients will be selected more on attitude than size and they will want to deal with us because we understand people are important, systems should run a company, we offer the most practical, most applicable, and fastest strategies on growth, and most importantly, because we mean what we say. We will give people back their spirit and freedom through business development.

Finding a Coach

If you would like to act now and start your business coaching journey with our committed team, simply reach out to us at actioncoach.com.