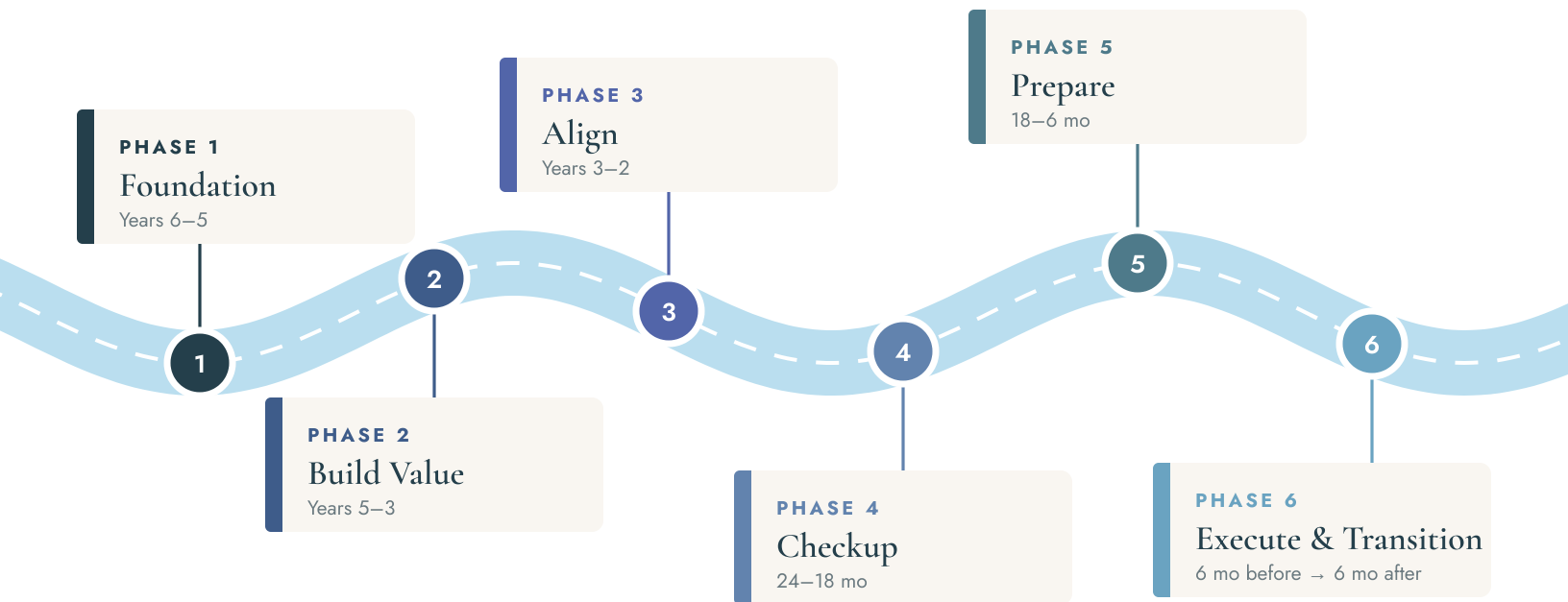


SELLING YOUR BUSINESS

Your Road to a *Successful Sale*

A five-to-six-year roadmap for selling your business, from first plans to final sale.



How to Use This Roadmap

This roadmap lays out the work of selling your business as a timeline you can follow, with milestones grouped into six phases. Work through the phases in order, check off each milestone as it is completed, and set target dates with your advisor. The Lead column shows who typically drives each step. Use it alongside your Briefing Book, which collects the details each milestone depends on, and bring both to every team meeting.

When to Use This Roadmap

Start five to six years before you expect to sell. Tax planning works best with at least five years of lead time, an S-corp to C-corp F-reorganization needs at least five years, and the full business health checkup belongs 18 to 24 months before a possible sale. If your timeline is shorter, start now and work with your advisor to prioritize. Revisit the roadmap every year and whenever your goals, your business, or your target sale date changes.

The Timeline at a Glance

PHASE 1	PHASE 2	PHASE 3	PHASE 4	PHASE 5	PHASE 6
Foundation	Build Value	Align	Checkup	Prepare	Execute & Transition
Years 6–5 72–60 mo	Years 5–3 60–36 mo	Years 3–2 36–24 mo	24–18 mo	18–6 mo	6 mo before → 6 mo after
<i>Plan, team, structure</i>	<i>Strengthen the business and the tax plan</i>	<i>Priorities, family, buyers</i>	<i>Health review and valuation</i>	<i>Documents, agreements, advisors</i>	<i>Negotiate, close, begin new chapter</i>

PHASE 1

Foundation

72–60 months before sale

Set direction, build the team, and make the structural decisions that need the longest lead time.

MILESTONE	LEAD	TARGET DATE
☐ Define your financial and non-financial goals and objectives, and record them in Briefing Book Section 2	Owner + Advisor	_____
☐ Complete a full review of your financial plan: income replacement, lifestyle, and retirement nest egg target	Advisor	_____
☐ Confirm the sale of the business is addressed in your estate plan documents	Estate Attorney	_____
☐ Engage your financial advisor as team quarterback; add your CPA and attorney	Owner	_____
☐ Decide entity strategy with your CPA and attorney. An S-corp to C-corp F-reorganization needs at least five years of lead time	CPA / Attorney	_____
☐ Evaluate Qualified Small Business Stock (QSBS) eligibility and document the holding-period start date	CPA	_____
☐ Separate personal and business expenses so the income statement shows true profit	Owner / CPA	_____
☐ Document ownership: entity type, equity splits, and any equity traded for liquidity or services	Attorney	_____
☐ Estimate estate tax exposure against the current threshold	Advisor	_____
☐ Begin preparing emotionally: reflect on what the next chapter should hold	Owner	_____

PHASE 2

Build Value

60–36 months before sale

Make the business less dependent on you and put the long-lead tax strategies in motion.

MILESTONE	LEAD	TARGET DATE
☐ Reduce dependence on you: delegate more while you keep oversight, and upgrade the management team's skills	Owner	_____
☐ Model sale scenarios: stock vs. asset sale, lump sum vs. installment payments	Advisor / CPA	_____
☐ Put estate strategies in motion as warranted (for example, an ILIT or charitable giving vehicles)	Advisor / Estate Attorney	_____
☐ Track QSBS holding-period milestones (3, 4, and 5+ years)	CPA	_____
☐ Begin family conversations; solicit input from family members affected by the sale	Owner	_____
☐ Sketch your first-six-months plan for money and time (Briefing Book Section 11)	Owner / Advisor	_____
☐ Review and update the Briefing Book each year	All	_____

PHASE 3

Align

36–24 months before sale

Decide what matters most to you and to the people affected by the sale.

MILESTONE	LEAD	TARGET DATE
☐ Define sale priorities: timing of payments, ongoing involvement, earn-outs, valued employees, family	Owner	_____
☐ Resolve family questions: buyout inclusion, leadership roles, board seats, and communication with family outside the business	Owner / Attorney	_____
☐ Identify key employees and plan how to reward and protect them	Owner	_____
☐ Begin identifying possible buyer candidates	M&A Advisor / Broker	_____
☐ Decide whether gifting shares to family makes sense (minority discount; lifetime exemption)	Advisor / Estate Attorney	_____
☐ If proceeds may exceed the QSBS exclusion, evaluate trust stacking (a legitimate estate planning purpose is required)	Attorney / CPA	_____

PHASE 4

Checkup

24–18 months before sale

A full health review of the business, before anyone else looks at it.

MILESTONE	LEAD	TARGET DATE
☐ Review financial ratios against your industry and competitors; compare cash flow to industry and local averages	Valuation Specialist / CPA	_____
☐ Review operations: undetected operational issues, customer trends, and organizational inefficiencies	Owner / Specialist	_____
☐ Review how profits are used, which product lines are most popular vs. most profitable, and how marketing results are tracked	Owner / CPA	_____
☐ Confirm financials are fairly stated and will hold up to a buyer's review; identify needed adjustments	Valuation Specialist	_____
☐ Build strategies to shore up weaknesses before the business goes up for sale	Owner / Specialist	_____
☐ Revisit the gifting decision in light of the current valuation	Advisor / Estate Attorney	_____
☐ Update the tax plan and sale-structure preference with valuation results	CPA / Advisor	_____

PHASE 5

Prepare

18–6 months before sale

Get documents, agreements, and advisors in place so the sale process runs cleanly.

MILESTONE	LEAD	TARGET DATE
☐ Clean the balance sheet and finalize adjusted financial statements	CPA	_____
☐ Engage an M&A advisor or business broker to manage the sales process	Owner / Advisor	_____
☐ Engage your M&A attorney: NDAs, employee agreements, purchase and lease agreements, protection from future liabilities	Attorney	_____
☐ Finalize roles, job descriptions, employment agreements, and retention or milestone bonuses, reviewed by counsel before closing	Attorney	_____
☐ Set your framework for evaluating offers (Briefing Book Section 8)	Owner / Advisor	_____
☐ Hold a family update with transparency on the valuation process and deal terms	Owner	_____
☐ Confirm timing for charitable and trust strategies (for example, CRT transfers happen before the sale)	Advisor / Attorney	_____
☐ Complete and finalize the Briefing Book	Owner / Advisor	_____

PHASE 6

Execute & Transition

6 months before → 6 months after

Negotiate from clarity, close well, and step into the next chapter on purpose.

MILESTONE	LEAD	TARGET DATE
☐ Evaluate offers against your priorities, not price alone	Owner / Advisor	_____
☐ Negotiate price, payment timing, earn-outs, and your post-sale role	Broker / Owner	_____
☐ Settle the sale structure: asset sale or stock sale	CPA / Attorney	_____
☐ Confirm legal documents protect you from future liabilities and employment agreements are finalized before closing	Attorney	_____
☐ Close the sale; keep family informed throughout	Owner	_____
☐ Implement the updated tax and estate plan; map which accounts to draw from, and when	Advisor / CPA	_____
☐ Live your first-six-months plan: money, time, travel, and social calendar	Owner	_____
☐ Draw outside the lines: plan the extended vacation, the boat, the car you've been eyeing	Owner / Advisor	_____

Key Decision Points

Some choices have deadlines baked in. These are the ones to put on the calendar early.

DECISION	DECIDE BY	WHY IT MATTERS
Entity structure and QSBS path	Phase 1	Converting an S-corp to a C-corp through an F-reorganization needs at least five years; QSBS can exclude gains from tax.
Asset sale vs. stock sale	Phases 2–4	A stock sale is generally taxed at long-term gain rates; an asset sale at ordinary rates. Buyers often prefer assets, so this shapes negotiations.
Gifting shares to family	Phases 3–4	A lower valuation uses less of your lifetime exemption, and a minority position can carry a valuation discount.
Payment structure and earn-out tolerance	Phase 3	Defines your framework for assessing offers; the business's ongoing stability matters to the payment structure.
Family roles, leadership, and board seats	Phase 3	Transparency and clear roles help families emerge from the transition on speaking terms.
Estate and charitable strategies (ILIT, DAF or foundation, CRT)	Phases 2–5	Can reduce the estate tax impact on your family; a CRT receives assets before the sale.

Annual Rhythm

Every year until the sale.

- ☐ Update the Briefing Book with anything that has changed
- ☐ Check roadmap milestones against the calendar
- ☐ Refresh your estate tax exposure estimate
- ☐ Review your advisory team and each member's role
- ☐ Revisit your goals, priorities, and family conversations

Notes

Plan, plan, and plan some more. The earlier you start, the more *options* you have, and the more *value* you keep.

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