

The Business Owner's Guide to Exit & Liquidity

5 Costly Mistakes Owners Make Before Transition — And How to Avoid Them



Introduction

For many business owners, the company represents both their life's work and their largest financial asset. Yet most have **80–90% of their wealth tied up in the business** — leaving them overexposed and underprepared for what comes next.

Whether you're 3 years or 10 years away from an exit, the decisions you make today will determine how much wealth you keep, how much risk you carry, and how smoothly you transition into the next chapter.

This guide highlights the **five most common mistakes** owners make when planning for liquidity or an exit — and how to avoid them.



Mistake 1: Waiting Too Long to Plan

The Problem: Most owners only start planning when they're ready to sell — but by then, options are limited.

The Fix: Begin planning at least **3–5 years before an exit** to maximize tax savings, improve valuation, and reduce stress.



Mistake 2: Overpaying in Taxes

The Problem: Without proactive tax planning, owners often lose **30–40% of their proceeds** to taxes.

The Fix: Coordinate strategies with your CPA and attorney early. Tools like **Qualified Small Business Stock (QSBS)**, **charitable trusts**, and **deferred comp structures** can save millions if set up in advance.



Mistake 3: No Personal Liquidity Plan

The Problem: Many owners are asset-rich but cash-poor, with most wealth tied inside the company.

The Fix: Build a **systematic liquidity strategy**: redirect profits annually into a diversified portfolio outside the business. This creates security regardless of business cycles.



Mistake 4: Treating Exit as a Transaction, Not a Process

The Problem: Owners often see exit as a one-time event instead of a **multi-year process**.

The Fix: Think in phases: **Valuation** → **Preparation** → **Transition** → **Legacy**. The best exits are planned, not rushed.



Mistake 5: Ignoring Legacy and Family Dynamics

The Problem: Sudden wealth or unclear succession can create conflict and lost opportunities.

The Fix: Establish a **family wealth strategy** with governance, trusts, and charitable tools to ensure your wealth becomes a blessing, not a burden.

Your Next Step

Avoiding these mistakes isn't about perfection — it's about preparation. The earlier you start, the more options you'll have, and the more wealth you'll keep.

At **Unbound Capital Advisors**, we help \$2M+ business owners:

-  Reduce taxes and protect cash flow
 -  Create liquidity outside the business
 -  Design exits that maximize after-tax value
 -  Build generational wealth with purpose
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Call to Action

Ready to unlock wealth beyond your business?

👉 Schedule your free **Business Owner Strategy Session** with Mike @ info@unboundcapitaladvisors.com or download additional resources at:
 [UnboundCapitalAdvisors.com]