

Title:

Exiting Your Company Gracefully

Word Count:

494

Summary:

Since you own a business or plan on having one in the near future, you have an exit strategy, right? Your answer is probably "No", which is typical for many people in their first venture of working for themselves. Every owner will eventually exit their business... even if they run it until they die. But then what?

Keywords:

small business advice, small business help, exit planning

Article Body:

Since you own a business or plan on having one in the near future, you have an exit strategy, right? Your answer is probably "No", which is typical for many people in their first venture of working for themselves. Every owner will eventually exit their business... even if they run it until they die. But then what?

Not having an exit strategy before, or very soon after, starting or buying a company is a dangerous proposition. An exit strategy is very important to your personal business plan as well as your tactical business plan. It gets you prepared for the future but also allows you to be ready if something unexpected happens such as an unsolicited offer to be bought out.

Knowing how you want to exit your company and when will allow you to build it successfully and get out at a high value rather than when you are bailing out. Exiting includes selling to an outsider, an investor, a partner, an employee or a family member. It could also mean not completely leaving but just selling, or giving up, enough interest to relinquish day-to-day control while still maintaining an income.

Without planning for these things, you can't possibly build the value you need to get the money you desire or have the correct structure set up to allow you to sell the business or even give it to a family member. Don't forget, almost every small business is very dependent on its founders. That makes a company very difficult to sell if the founders want to eventually have nothing to do

with the company after the sale.

Having a consultant help you with the set-up of an exit plan is usually a very good idea. Especially since most business owners tend to over value their company's worth or future worth and also do not know how to handle things internally in terms of employees.

Here are a few of the many things to consider for an exit plan:

- How would you like to exit your company (full sale, partial sale, asset sale, etc)?
- Who would you like to sell your company to (competitor, experienced owner, family member, etc)?
- How long are you willing to stay on to help the buyer?
- What is your target profit on the sale after paying off any debt?
- Are you willing to hold a note for the buyer?
- What are your plans for your employees?
- What do you want to do once you are no longer involved in the company?
- Where will your income come from once you exit the company?

Hopefully you now realize that owning a business also means planning to no longer own the business. Setting yourself and your company up to let you reap the rewards of your hard work and allow you to retire or move on to other ventures is not something to be taken lightly. Good luck and remember that we are always here to help.