

# Business Succession & Exit Guide

## Your priorities

Clarity on what’s most important to you when the time comes to exit ensures your transition plan is aligned with your goals.

### What’s important to you during an exit

- Step away completely after the transition
- Stay involved in the business after the transition
- Maximize the financial value of the exit

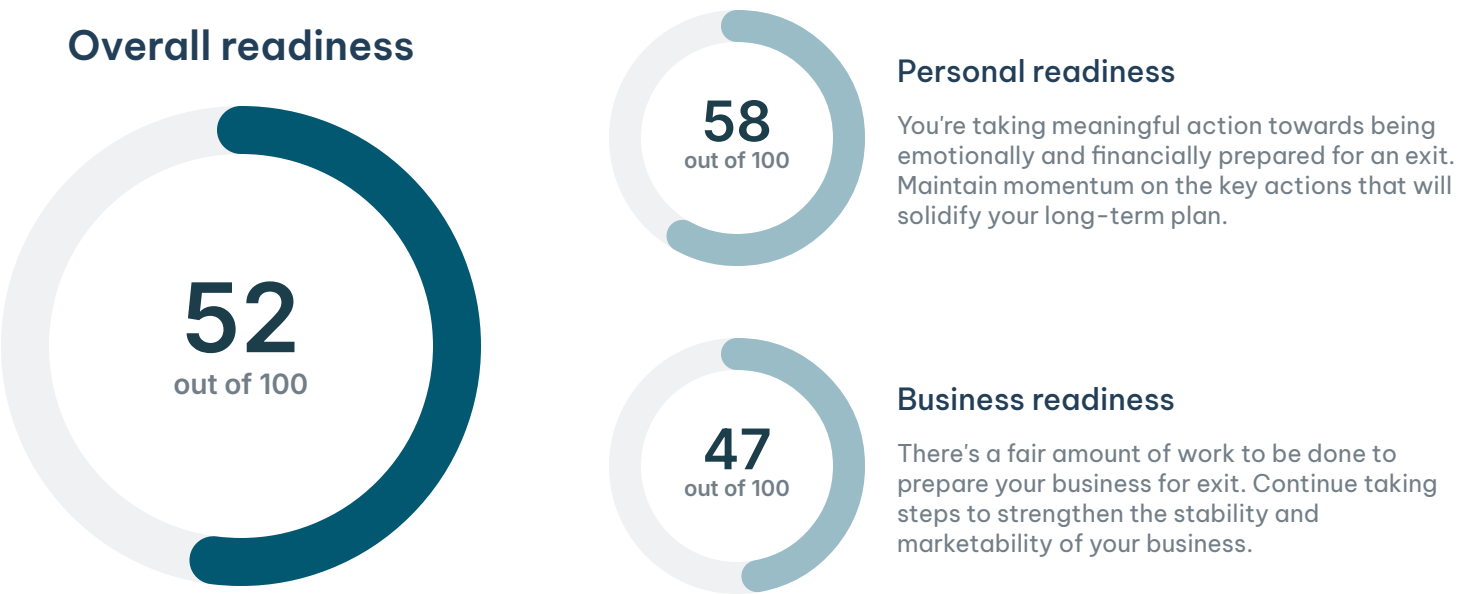
## Liquidity goals



## Paths for you to explore

Transition to family		Low alignment
Upsides	Considerations	
<ul style="list-style-type: none"><li>Legacy and business continuity secured with family</li><li>More control over timing and terms of exit</li><li>Job security for your family and team</li></ul>	<ul style="list-style-type: none"><li>Lowest proceed potential</li><li>Potential complexities of family</li><li>Likely can't step away completely after exit</li></ul>	
Common structures: Gifting, seller financing, and on-going consulting arrangements		
Transition to team		Moderate alignment
Upsides	Considerations	
<ul style="list-style-type: none"><li>Legacy and continuity secured with team</li><li>Meaningful control over timing and terms of exit</li><li>Moderate proceed potential</li></ul>	<ul style="list-style-type: none"><li>Relies on successor’s ability to secure financing</li><li>Meaningful levels of preparation and fees to execute</li><li>Transition timeline can span many years</li></ul>	
Common structures: Management buy-outs or employee stock ownership plans (ESOPs)		
Sell to third-party		Moderate alignment
Upsides	Considerations	
<ul style="list-style-type: none"><li>Highest proceeds potential</li><li>Cleanest transition out of operations</li><li>Potential to expand mission with the right buyer</li></ul>	<ul style="list-style-type: none"><li>Legacy and continuity are not typically prioritized</li><li>Low control over timing and terms</li><li>High levels of administration and fees to execute</li></ul>	
Common structures: Mergers & acquisition (M&A), private equity restructuring, and potential rollover equity		

# Succession & Exit Readiness Score



## Personal readiness

### Next best actions

- ☐ Identify how you will spend your time after transition
- ☒ Identify net proceeds from exit needed to fund goals
- ☒ Identify ideal exit timeline
- ☒ Review succession & exit plan with family
- ☒ Confirm Up-to-Date Buy-Sell Agreement and Insurance Policy is in Place
- ☐ Build team of professionals
- ☐ Identify tax optimization strategies
- ☒ Clearly define transition priorities

## Business readiness

### Next best actions

- ☐ Help insure strength and retention of key employees
- ☐ Organize financial records with accountant
- ☒ Mitigate key business risks
- ☒ Identify ideal succession & exit path
- ☐ Identify successors / buyers
- ☒ Prepare for legal, financial, and operational diligence
- ☐ Strengthen standard operating practices (SOPs)