Vantage West
CREDIT UNION

Your succession toolkit

Introduction

Successfully exiting a business is a dream for many owners. A financially successful exit is certainly achievable, but it requires several years of hard work and planning to get the best return. We've assembled critical steps to follow when planning your exit, as well as actions you can take to increase the value of your business before you put it up for sale.

Good timing depends largely on what the market's doing at any given time, but there are some indicators that can help you decide if your business is ready for sale:

- You're confident of your business's return-on-investment (ROI) value.
- The business has gone as far as you can take it.
- The next generation are ready to take over.

CONTENTS

Step 1

Map out your exit strategy

1. CONSIDER THE END GAME

Before you draft a succession plan, you'll need to spend time giving careful thought to your personal and business long term objectives.

Ask yourselves these preliminary planning questions so you can create a succession plan that is in harmony with your ambitions.

PERSONAL QUESTIONS

- What is your main priority? Do you hope to maximize retirement income? Keep the company in the family?
- Would you prefer to maintain a part time role in your business when the day comes – or completely step away?
- What are your desired terms for payout – a one-time lump sum payment or regular payments over time?

BUSINESS QUESTIONS

- What is your long-term vision for your company?
- Who might take over as your successor – a family member, business partner/employee or outside buyer?
- How could current positions in your organization be redesigned to best meet your vision for the future?
- What are your plans for the proceeds if you sell your business?

It's wise to seek the advice of an experienced business valuer and broker as well as financial, legal and succession planning advisors to make sure the outcome of the sale meets your objectives. These professionals can help determine the right financial structure for the sale of your business, the best way to market your business and provide advice on tax and legal considerations.

TIP

Your children will expect equal treatment. But this does not mean they should all take an active role in the business.

2. SELL TO A FAMILY MEMBER

Talk openly with possible family members before you identify a potential successor or successors and plan their development. Conduct these discussions in the workplace rather than at home. There may be only one realistic candidate, but you still need to be sure this person has the necessary skills and commitment. You might let them experience different roles, or get them to work elsewhere.

The most difficult scenarios:

- There is more than one family member that wants to take over, resulting in arguments and conflict.
- There is no-one in the family that wants to take over, leaving you disappointed your legacy will leave the family.
- The only family member who wants the business isn't suitable, placing the future viability of the business at risk.
- A key employee thought they would take over the business, and may leave with valuable intellectual property of how the business is run.

Giving more than one person equal standing in the business could be a bad idea. If you do, make sure they share the same agenda and establish clear areas of responsibility from the start.

Keep other employees fully informed and tell your long-serving staff about key decisions. Your best staff are likely to be the first to jump ship if you keep them in the dark or they feel their prospects of advancing are now limited or blocked.

3. SELL TO EMPLOYEES

Your employees may be interested in buying the business. Employees make good buyers because they already know and understand the business, hold relationships with your suppliers and customers and likely want to continue your business legacy.

However, an employee or group of employees may not be able to secure the financing required to give you a clean exit – meaning, you will more than likely be asked to carry financing for them. For example, you could be offered 25% of the purchase price from an acquiring employee and receive the 75% balance through monthly payments spread over 3 or 5 years. That's a risky proposition because the new owner-employee may not run the business as profitability as you did, putting in jeopardy their ability to meet your payments as due.

4. SELL TO A PARTNER/MANAGEMENT TEAM

If you have a partner or a senior manager, they may be interested in buying the business or acquiring your portion of the shares. If operating under a partnership agreement, you may already be bound by a buy-sell agreement stipulating the conditions and price for a sale of shares.

A manager, who does not currently own shares, might be someone you can groom to take over the business and pay you the asking price – but, again, it's more likely this employee will ask you to part finance the sale price. You might consider allowing them to acquire the business in stages, buying part of it each year for a number of years out of their share of the profits, so you continue to take your own share of the profits until the deal is complete. Consult your advisors for input before agreeing to any such arrangement.

Give the management team time to raise the money — they will probably have to approach their financial institution and investors. They will also need to be trained for their new roles as their skills and competence will be a key issue for any financers or investors funding a deal.

5. SELL TO A BUYER

This is often the easiest and cleanest exit; find another person or company to buy your business outright. Though is can be the hardest to negotiate, including needing confidentiality agreements and various disclosures of information. Finding the right person to acquire your company requires accurate knowledge of the market and investment in improving or maintaining performance, so your business looks like a strong strategic or financial asset.

Buyers may come with conditions that can include an extended hand-over period during which they shadow you to learn every element of the business's day-to-day running.

TIP

Work with a business broker to find a buyer and take you through the selling process.

6. CLOSE DOWN

Some businesses just close down. It's more common with businesses that have a key principal as the owner and it's difficult to transfer any value or goodwill. Consultants as a sole traders operating alone may struggle to find another person to buy their business. Often retailers if they are unable to renew their lease find there is no on-going value in the business, apart from the inventory.

If the business just closes, then you'd liquidate all your assets (sell any inventory or assets for cash) and close.

7. KEEP THE BUSINESS AND INSTALL A CEO

With this strategy, you decide to keep the business shareholding and delegate management of it to a third party. You may decide to retain some or all of your shares, giving you an on-going income and some control over the business. This is a popular option when a business is generating a lucrative cash flow and the owner is reluctant to give that up, or the return generated from the business is significantly more than if the sale proceeds were invested.

TIP

The lion's share of a business's value is in its operations rather than its assets – so if you strip it for parts, you won't get a true return on your investment.

Step 2

Decide when to depart

1. PLAN AHEAD

Plan well in advance and consider family, finances, your health, any business goals you've yet to achieve and the state of your industry. Choosing an exit date early on, even if it is an estimate, will make sure you can depart when the time is right.

Because succession planning involves complex decisions that can take up to five years to complete, it's recommended you start early. Early planning will help:

- Have enough time to plan effectively for retirement or the next phase of your life. Instead of being forced to retire because of ill health, a sudden offer to buy the business, the industry is slowing, or you've just had enough, it's better to be on your terms.
- Communicate the idea to family. Some may wish to take the business over, some may not. There will be numerous issues to discuss if you have more than one obvious heir. Early agreement will reduce the impact on the business.
- Prepare your staff to know that you won't be there forever, and to put in place systems or documents that will help replace your expertise.
- Groom the business to get a better price, by focusing on increasing profit, locking in any contracts or suppliers, and generally having a well-run business.
- Sell when conditions are perfect, such as a growing market or seasonal upswing.
- Increase the odds of your business surviving without you, by being able to slowly put in place contingencies and plans for others to take over.

2. BREAKDOWN YOUR EXIT TIMELINE

It's helpful to work toward deadlines for completing your succession plan. Some business owners break their plan into sections, setting firm dates for completion of each one.

- Personal future planning (retirement, lifestyle, estate considerations).
- Business housekeeping (grooming the business for sale).
- Successor mentorship/training for the buyer.
- Handover and transition.

3. STAYING IN THE BUSINESS

A buyer may want you to stay on board for a period of time (six months to two years) to help oversee transition of the business (and, perhaps more importantly, to hold you accountable for any promises). Will sticking around impede your next plans – to start another business, or start retirement? It's important to determine what you are willing to do for the buyer in terms of your own transition commitment before sell.

TIP

A cleaner exit is better for you but staying for a period may get you a higher price as it's less risky for the new owner.

Vantage West CREDIT UNION

Step 3

Add value to your business

1. INCREASE THE VALUE

Don't focus on building a business you can exit. Instead, focus on building a successful one that you will exit when you've decided.

By increasing your business's value with continuous growth, a good revenue line, and a large customer base, it will become more attractive to potential buyers and therefore be a self-fulfilling prophecy. The best outcome is to be approached by a buyer, as you're then in the box seat when negotiating price.

2. GETTING THE BEST PRICE

In order to facilitate a quicker sale and get top dollar you'll need to take steps early to make sure your business attracts an eager buyer.

- Show your business has been profitable for several years with accurate past financial information.
- Forecast that the business future looks better, with a growing industry and positive trends.
- Have your tax records in order.
- Know your customer acquisition and retention rates.
- Have multiple revenue streams with a wide range services or products to spread any risk.
- Start "replacement planning" – grooming your successors and locking in staff through loyalty incentives.
- Offer financing terms.

Another excellent way to make your business appealing to a buyer is to create transferable value – in other words, ensuring your business is 'turnkey'. You can do this by creating effective systems for management, sales, production and administration, so your business can function seamlessly without you. Create an operations manual that documents all processes in simple, easy-to-understand steps before you sell.

3. GROOMING YOUR BUSINESS FOR SALE

Getting the best price for your business may require a bit of preparation to make sure your business is in top shape. You also need to be clear on your reasons for selling. Potential buyers will want to know why you're selling the business, especially if you've advertised what a great business it is.

- Forecast your expected net profit over the coming year so you can determine how healthy your business is. Then you can take steps to improve it, making it more attractive to potential buyers.
- Try to show stable cash flow through the year. Delay or bring forward major purchases to help achieve this objective.
- Improve your working capital position by selling under-used equipment and assets. Efficient stock management and tighter credit control will also improve working capital.
- Improve customer loyalty – you want to be able to reassure buyers that customers will stay. Focus on improving your customer experience so they keep coming back.
- Make sure your systems and processes are of an excellent standard and are well documented. Make your systems transferable as that's what buyers are paying for. Buyers will see more value in your business if you have good systems they run without you.
- Use the latest software, processes, applications and methods in your industry to position as a leader not a follower.

4. CLEAN UP ANY ACCOUNTING RECORDS

For business owners, identifying the most tax efficient methods to receive income from a business starts early and continues right up to the date the business is sold. The expertise of advisors such as financial planners, accountants, lawyers, financers and wealth management experts can have a significant impact on the financial results you achieve personally over your lifetime.

TIP

Be realistic about the sell price. Many owner-managers have an inflated idea of the true value of their business. If you cannot think of some good reasons why someone would buy your business, you are likely to struggle to sell it.

5. PREPARE A CONFIDENTIALITY AGREEMENT

You'll have to let a buyer look into your business as part of the due diligence process at some stage. Have any potential buyer sign a confidentiality agreement before you share sensitive company information, such as financial reports. News that your business is for sale could lead to negative reactions from your customers, suppliers, creditors or staff. If competitors find out, they could react aggressively. So add in any clauses for non-disclosure of the selling process.

You can also release information in stages: all inquiries receive a one page outline, qualified buyers receive more detail including average financial data, and the one (or if you're lucky, two) buyer(s) receive full disclosure.

TIP

Are your accounts up to date and accurate? Having them in order will help maximize your business's value and give a true presentation of profits. You'll want your accounts to show a well-run and productive business.

6. LOCK IN LONG-TERM CUSTOMERS

Customers are the lifeblood of most businesses, so secure any long-term contracts with regular customers to help increase the perceived value of your business. Consider moving customers to a subscription model to demonstrate strong, recurring revenue to a buyer.

7. LOCK IN YOUR LEASE

Make sure any leases have been formalized in a way that's acceptable to you and your likely buyer. Make sure the landlord agrees to transfer the lease to a new owner. It pays to properly handle the transfer of the lease to your buyer because it's an integral part of selling a business – and can be a deal breaker.

8. POLISH UP YOUR BUSINESS

Paint what needs to be painted, fix anything that's broken and repair or replace damaged assets.

The goal is to get your business environment looking clean and sellable so you can attract more buyers into taking a closer look. If you need extra funding to get your business up to standard, speak with your banker.

Make sure any legal or tax issues are settled. You'll want to market a problem-free business to attract as many potential buyers as possible.

You should be able to explain any unusual items such as discontinued operations (like recently shutting down a unit) or a change in accounting principles, so everything is out in the open for potential buyers.

Step 4

Work out a price

1. ASSETS RESALE VALUE ONLY

Sometimes a business is only worth the net assets and what they might sell for only. This tends to happen if the owner is integral to the operation and the business may struggle to get new clients if the owner retires. Or the business hasn't been generating a profit and the future is very uncertain, or a lease or contract has expired and there is no possibility of the business continuing.

List all your fixed assets like property, vehicles, equipment and furniture and calculate how much they could be sold for on the open market.

2. EARNING VALUATION METHOD

Some industries have 'profit multipliers' where you multiply past earning by an accepted industry number. This sounds unscientific but there are industry multipliers where you look at the average of past profit (say $100,000/year) and then multiply this by the accepted industry number. Past earnings are used to determine an expected cash flow level, which is then used to predict a sale price.

3. ASSETS PLUS GOODWILL

This is probably the most popular way of working out what a business is worth. It's relatively straightforward: you add up all your physical assets such as stock, raw materials, assets, accounts receivable or cash in the bank. Then subtract any liabilities, such as money owed to others, and possibly any taxes owed if someone is buying the company shares. This gives you your net asset value.

Then you add on goodwill – an extra sum of money for someone to take over a business that is trading and has customers, staff and systems already in place. Buyers pay this extra amount over and above the physical assets for these benefits if you have;

- Great relationships with customers and suppliers that will continue after the sale.
- Protected intellectual property that gives your business an advantage in the market place.
- A terrific business location with a long lease.
- Good cash flow and little or no debt.
- Documented business systems and processes a new owner can pick up.
- Loyal, knowledgeable, and experienced staff who'll stay on after the sale.

4. MARKET VALUE

This method compares your business to others that have sold recently, particularly if they were a competitor. The main problem is that, similar to house buying, the price at times isn't dictated by the actual value, but by demand. If similar businesses in a similar industry are selling at price 'x', it doesn't mean yours should. Your business could have better clients, products, staff and future opportunities.

It's worth having a discussion with a broker, your accountant and other qualified business advisors to get an understanding of what similar businesses to yours with similar revenue and profit are selling for.

5. WHAT BUYERS WANT

Potential buyers are searching for businesses that provide an on-going expected return for their investment risk. A buyer with $500,000 in cash could leave it in a savings account, or invest in other opportunities, or invest in your business. It's critical you work through a process of getting every aspect of your business in the best possible shape to attract the right buyer. Make sure you:

- Tidy up your financial records – taxes should be paid and any debts should be settled.
- Have optimal levels of staff and inventory – which shows your business operates efficiently.
- Tighten control over debtors – you want them paying on time, or early if possible, to help show that cash flow is under control.
- Resolve any legal issues – a new owner doesn't want to inherit any legal problems.
- Replace or repair faulty fixed assets such as equipment.
- Have set processes – a potential buyer will want to see clearly defined processes for daily operations.

TIP

It's possible to reach different results with these valuation methods, so ideally get your business valued by more than one person.

Step 5

Create an operational manual

1. DOCUMENT YOUR PROCESSES

The purpose of an operations manual is to make sure a new owner can run your business without you.

The manual is an essential part of creating a transferable business – and that's what buyers are willing to pay for.

Include simple, day-to-day actions, how you create the culture of your organization, and your process for making important decisions. Provide detailed instructions to make any product or deliver any service. Tell them how to make your "secret sauce" – the thing that sets your business apart from the competition.

The operations manual for a McDonald's franchise instructs owners how to run every facet of the restaurant so there's no guesswork. Standardizing operations worldwide allows the company to maintain its brand experience for customers.

2. SET UP SUPPLIER AGREEMENTS

If you have supplier agreements that are a good deal for your business, consider renewing those agreements and locking in preferred pricing and terms. A buyer will want to receive the same treatment from suppliers, and be able to buy suppliers at the same price. Locking in your supplier deals will add value to your business in the eyes of a buyer.

Prepare suppliers by letting them know your intention to sell the business – preferably after you have a buyer. If possible, introduce the new business owners to them.

Maintaining positive relationships with suppliers will benefit you in any future business endeavors and will help make sure of your company's success when you are gone.

3. LIST THE CRITICAL ELEMENTS

While the new owner may perform some operations differently, you want to demonstrate how easy it will be for them to take over and enjoy the same profit. It's not always the obvious aspects like doing the actual work, or promoting to keeping clients.

Cover how you:

- Chase up outstanding debts and make sure you're always paid on time.
- Put strong systems in place that are frequently checked.
- Streamline your systems and processes.
- Make the most of technology.
- Manage your workloads, so that they're effectively prioritized and delegated.
- Identify necessary staff training courses and how to promote for and enroll staff.
- Develop templates for everyday documents like invoices, contracts, statements of work and quotes.
- Form an alliances or partnerships.

Include:

- Hiring and firing policies.
- Business operation checklists.
- Who you buy from, who the people are, what they like.
- The best ways of promoting the business and what works best.
- Customer contact list: what they like, don't like and personalities to be aware of.
- Key competitors and how you beat them.

Step 6

Groom your successor

1. TRAIN AND EMPOWER

The better you prepare them for their new role, the more successful the handover will be. How you go about it depends on who the new owner will be. For instance, if you're handing the business over to family make sure they have a genuine desire to run the business, and the necessary skills. You want to be sure they're in it for the long haul.

If you're selling to employees, whether it's a favored manager, a group of employees or a set of shareholders, it's important that everyone is aware early on of your intentions.

In either case, there are some critical steps you need to take to prepare the new owner:

- Let them watch you work. They need to learn as much as they can. Continually explain why you do things a certain way and how you make decisions.
- Dip their toes in by letting them make some decisions, with your guidance. Work together on key projects. Encourage and correct them.
- As they gain in confidence and ability, give them more decisions to make, with you as an advisor rather than guiding them. Let them make mistakes and show them how to fix them. It's the only way they'll learn to deal with failure.

2. HAND OVER CONTROL

Give them total control. Encourage and empower them so that they are truly ready to run the business without you. This is one of the greatest challenges for most business owners.

As you'll see, this process works by gradually easing you out, as they ease in. Following these steps is essential for successfully delegating control. Handing over the reins in one fell swoop almost never works, as the new owner is left feeling overwhelmed and without the necessary skills, while you walk away from the business knowing you've left it in the control of someone who doesn't know what they're doing. It's not the kind of legacy you want to leave behind.

3. TRANSFERRING ASSETS

When you're transferring your assets to the new owner, get them valued first by an expert so you can get an idea of what you'll be paid for the business, if you're selling it.

Put together a transition team who'll help you transfer control. They should be people who are not emotionally involved, like your accountant, lawyer, or business broker. Maintain open communication with your team and your successors.

TIP

Once the new owner has taken control, all decisions are theirs. And now it's time to do the hardest part of all – walk away.

Step 7

Plan your future

1. CONSIDER WHAT YOU'LL DO AFTER THE SALE

Although it can take years to build a business that's ready to sell, things can move quickly when the time to exit finally arrives.

Create and follow a timetable to keep on top of everything. You don't want to miss important meetings with advisors or potential buyers. Once a deal has been made, a good timetable will make sure the transfer of ownership benefits your employees, business, and yourself.

You could:

- Buy another business. The proceeds from the sale could be invested in a new business (if you've identified a better business model) or you might have found a competitor or supplier you're interested in purchasing.
- Start another business. You may actually want to go back to the start and re-invent your business.
- Help other businesses by becoming an angel investor. You might have run across a promising new start-up you're keen to help get off the ground, especially if you think you'll get a worthwhile return.
- Work part-time. You might have had your fill of being the boss, along with all the stress that goes with it, and are ready to work for someone else in a low-stress, low hours position in a business that's always interested you.
- Volunteer. There might be charities you've previously given money to; now you're ready to give them your time as well.
- Retire. This doesn't mean sitting around in front of the TV. You could travel, take up a new hobby or sport, or get involved in the community.
- Go back to learning. You may have a degree you want to finish, or learn something that you've always wanted to, but never had the time. It's never too late to continue your education.

Whatever your decision, it's like anything else – the better prepared you are, the more successful you'll be.

TIP

It will be easier to let go of your business if you're clear about what you're going to do next.

2. HOW MUCH DO YOU NEED TO RETIRE?

It's a useful wake up call to find out if you are on track, and how much longer you'll need to work to retire in the lifestyle you'd like. If the business can be sold for a lump sum, will the investment returns provide enough income to support your expected lifestyle? If not then you'll need to lower your income expectations, keep working and build more value in the business to sell for a higher price, or leave some equity/shareholding in the business and rely on business dividends.

Retirement investment strategies to think about:

- A diversification plan based on your age and your future plans. Where to place your capital such as shares, bonds, and cash.
- Passive income options, such as commercial or domestic real estate.
- If you've received a mix of cash and shares in the company that bought you out, check to see how you can realize any gains, such as the dividend policy.
- Reviewing what exposure you have to liability, especially if you've left money in the business that the new owner is paying back. If you've left significant assets in the business, make sure you retain the ownership until you are paid up.

3. DEVELOP A SAVINGS STRATEGY

To hit the target, it's crucial to be able to see it. So start your retirement planning process by answering these three questions:

- When do you want to retire?
- How much money do you think you'll need to comfortably retire?
- What's your retirement plan?

Once you have a fairly accurate idea of your retirement objectives, it's time to consult some experts to help develop a strategy. Aim to work closely with your financial advisor, banker, lawyer and accountant.

4. ASSEMBLE A DREAM TEAM

- An accountant can provide advice on capital gains, income splitting and reduce taxes upon business transfer or sale.
- A business broker can help prepare your business for sale and offer advice on changes to your business name or registration, leases, memberships, licenses and permits.
- A lawyer can help with the transfer of business ownership such as the purchase and sale agreement, modifying partnership contracts, updating your will, assigning power of attorney, setting up trusts – and advise on any charitable and legacy objectives.
- A business valuator or broker can help you get the best price for your business and tell you what to do right now to improve value before you list it for sale.
- A financial advisor can offer personal wealth management advice and help you decide how to invest proceeds from the sale of your business.
- An insurance agent can help update any policies covering disability, death or injury upon your succession – and help manage business risk prior to ownership transition.

TIP

Revisiting your plan every few years to make sure it's kept up-to-date is a wise move. Meanwhile, your financial advisor will be the one actively monitoring your investments to provide you with frequent reports and suggestions.

Action plan

1. Detail your plans for leaving your business. Identify your priorities, your goals for the company, and your desired payout terms.

2. Explore various scenarios for leaving your business (selling to children, selling to employees, etc). Which is ideal for you and why?

3. Identify the factors involved in the timing of leaving your business. When do you want to leave and why do you want to leave then?

4. Detail the steps you can take to increase the value of your business. Develop a strategy for doing so.

5. Outline and explain which method of valuing your business will work best for you.

Action plan

6. Explain the steps you'll take to ensure all processes are documented.

7. Write your plan for handing over control of the business to someone else.

8. List the people who could serve as advisors as you leave your business (for example, accountants, lawyers, etc).

9. Identify what you'd need to do to leave the business quickly in case of a sudden emergency.

10. Write a plan for leaving your business along with a timeline.

Checklist

	To do	Done
Step 1: Map out your exit strategy		
Determine your goals in leaving your business	☐	☐
Identify a successor for your business	☐	☐
Choose the best path for you to leave your business	☐	☐
Inform your employees, staff, and family about your plans (as needed)	☐	☐
Work with a broker to sell your business	☐	☐
Step 2: Decide when to depart		
Start planning to leave	☐	☐
Set an exit date	☐	☐
Focus on increasing profits	☐	☐
Breakdown your exit timeline into stages or milestones	☐	☐
Step 3: Add value to your business		
Understand the value of your business	☐	☐
Forecast your expected net profit over the next year	☐	☐
Improve your working capital position	☐	☐
Tighten credit control	☐	☐
Foster customer loyalty	☐	☐
Document systems and processes	☐	☐
Clean up accounting records to ensure they are accurate	☐	☐
Prepare a confidentiality agreement	☐	☐
Lock in long-term customers and leases	☐	☐
Step 4: Work out a price		
Figure out the best method for determining the value of your business	☐	☐
Calculate the value of your business	☐	☐
Have other people value your business	☐	☐
Decide on a price	☐	☐

Checklist

	To do	Done
Step 5: Create an operational manual		
Document processes	☐	☐
Set up or renew supplier agreements	☐	☐
Introduce suppliers to new owner	☐	☐
List the critical elements of your business	☐	☐
Develop templates for common documents	☐	☐
Step 6: Groom your successor		
Train your successor for the new role	☐	☐
Hand over control	☐	☐
Transfer assets	☐	☐
Step 7: Plan your future		
Identify what you want to do after you leave the business	☐	☐
Ensure you have the finances to leave the business	☐	☐
Develop a savings strategy	☐	☐
Assemble a team of advisors	☐	☐
Align your success plans with financial and estate planning	☐	☐
Have a contingency plan for a sudden exit	☐	☐

Final tips for success

An exit strategy is something every business owner needs to prepare for the inevitable – the day you'll transfer assets and control of your business to a family member, business partner, employee, or outside buyer.

Many business owners put off succession planning for any number of reasons – they're busy, they don't like thinking about falling ill or dying, or retirement seems a long way off. But failing to plan for your exit puts you and your business at significant risk.

Having a succession plan means that if life throws a curveball and you need to step away sooner than expected, you'll have contingency plans in place. You'll be grateful to have made the tough decisions and laid them out, step by step, for a smooth and successful transition.

TAKE ACTION

- Don't procrastinate! Start planning now
- Identify human resource issues/concerns (family, staff, partners)
- Consult with key stakeholders
- Hire a team of financial, legal and business professionals
- Draft your plan and stick to a timeline
- Align your succession plans with financial and estate planning
- Include contingency plans for a sudden, unexpected exit
- Communicate openly with employees
- Review and update your exit plan annually along with your business plan.