

Choosing Your Exit Planning Team

The stakes are very high when you begin to ponder how and when you want to exit from your business. To make sure that you exit your business on your terms and capture all of the value you've created in your business, you need to be proactive. Not reactive. Don't let death, divorce, disability or financial distress dictate when and how you exit from your business.

As a result, two to three years before you think you would like to exit you should choose a team of advisors who can and will help you make this change in your life as smooth and as rewarding as possible. Keep in mind, too, that no single professional advisor has all of the expertise needed to design a comprehensive, integrated exit plan. The best exit plans incorporate input from a team of advisors that includes:

- A business attorney with M&A experience,
- A financial advisor or wealth management professional who does planning work,
- A tax specialist who is versed in the latest tax issues, and
- An investment banking firm that specializes in exit planning.

Sticking to your exit plan is just as important as having one, and advisors can help you do just that. Meet with them on a regular basis to ensure that crucial steps are being completed on schedule. Nobody likes to pay unnecessary fees, but the cost of developing a good exit plan is usually tiny compared to the additional value received at the time of sale. After all, exiting your business is probably going to be the most important deal of your life time. Don't just shoot from your hip.

Your exit plan should be focused on two main objectives:

- 1) Maximizing your company's value prior to your exit, and
- 2) Ensuring that you accomplish all of your business and personal objectives as part of the exit.

Sophisticated investors like venture capital firms and private equity groups never invest in a company without having a clearly defined exit plan in place first. They know that having an exit plan in place helps to ensure they will capture the return on investment they are seeking. When it comes to selling your largest and most valuable asset, should you have a plan too?

As with all good business decisions, do your research on who to work with and make sure you start early enough so that you preserve all of your options