



# It's time for an exit strategy

**As a successful business owner, your greatest asset is the business itself. It represents more than your business prowess; it represents your family's financial future.**

Whether you've been in business five or fifty years, it is never too early to begin building your exit strategy. Doing so can help ensure the future success of your business and the achievement of your personal financial goals.

Here are the positives and negatives of six common exit strategies:



Strategy	Positives	Negatives
<b>Third party sale (100% of business)</b>	Most often, third-party outright sales yield higher prices and provide owners freedom from future business responsibilities. This type of sale is preferred for business owners who can easily step aside from the business.	If you have a significant emotional attachment to the business, it could be a challenge to turn over complete control of its future.
<b>Majority sale of your business</b>	You sell the majority of your business while retaining some stake or level of influence over the direction of the company. Along with the initial sale, you benefit financially from the business's future success, as well as a potentially higher return if the business should sell again.	Although you have a say in the day-to-day, you don't have the final say, which can be challenging for many business owners who adopt this strategy.
<b>Divestiture</b>	Selling off an individual division or product line enables you to keep control of your core business while providing a cash influx to your balance sheet.	This type of sale may require talent reallocation as part of the deal, resulting in additional recruitment efforts or the loss of key people.

<b>Management or family member buyout</b>	Transferring the business to a family member or selling to leadership ensures the business continues to operate in much the same way.	Payouts from these types of sales have a much longer timeframe (5-10 years) and often require a significantly high level of seller financing. In other words, it may be a while before you get paid, if ever.
<b>Shutdown</b>	Liquidating your business assets is the quickest way to eliminate debt and accumulate cash reserves.	There could be significant residual impact on your community from layoffs and termination of service. Most often, this option should be held as a last resort, not a viable strategy.
<b>Death or disability</b>	There are no advantages to this type of exit strategy, only disadvantages.	Most families left to pick up the pieces receive far less value for the business than it is worth. This isn't a strategy at all but a consequence of a lack of planning.

How do you want to exit your business? Now is the time to begin thinking about your exit strategy. Speak with a financial professional today to discuss an accurate **valuation of your business**, learn how to potentially **increase its value** and **build a strategy** designed to take you and your family from here to the rest of your life.

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