



The Two-Pronged Approach to Exit Planning

When business owners begin to think about their business exits, they tend to focus on one specific goal that they want to achieve. Some owners focus on when they want to exit, some focus on how much money they want when they exit, and others focus on the person or group that will take over once they exit. But what's the process that takes owners from thinking about what they want, to acting on what they want?

In the context of Exit Planning, it's important for business owners to understand the two-pronged approach that Exit Planning Advisors take to Exit Planning. The first prong is the *general* prong, which focuses on a successful business exit for a business owner. The second prong is the *specific* prong, which focuses on the business owner's goals and in turn defines what makes the business exit successful.

Generally, owners can expect an Exit Planning Advisor to focus first on one overarching goal. This goal is the goal that drives the business owner's desire to exit, so each general goal will be different, based on the owner's goals. A common general goal is to exit the business with financial security. In fact, Exit Planning Advisors do not consider an exit successful unless this criterion is met by the time the owner exits the business.

Specifically, owners should expect an Exit Planning Advisor to focus on additional goals in order to help owners plan for their exits on *their terms* rather than their advisors' terms. Those goals can include positioning owners to leave *when they want* and *to transfer ownership to the person they want*, among others.

The process behind planning to achieve these goals begins when Exit Planning Advisors gather information about the business owners they're serving. Only after an Exit Planning Advisor has a clear idea about what a business owner hopes and wants to achieve will that advisor begin to quantify and qualify the resources necessary to achieve those goals.

When approaching a business exit, business owners should expect that their advisors can describe and



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compare different Exit Paths. After describing and comparing those Exit Paths, business owners should also expect an Exit Planning Advisor to weigh the context of each business owner's unique situation before suggesting an Exit Path. Advisors do owners a disservice when they assume that they know which Exit Path owners want to take, or assume that the owner's interest in one Path is a final decision.

Once business owners and their Exit Planning Advisors agree on the feasibility of the owner's goals, Exit Planning Advisors begin to implement strategies to work toward those goals. They do so with the help of their Advisor Teams, which are comprised of different advisors from various advisory fields. These advisors focus on aspects of the Exit Plan specific to their fields of expertise and report to the Exit Planning Advisor. By the end of the process, which typically takes 5–10 years, many business owners find themselves better positioned to exit their businesses on their terms, as decided at both the outset and throughout the Exit Planning process.

If you'd like to discuss how you can begin the process of Exit Planning, or would like to know more about the process our firm uses to help owners exit their businesses, contact us today.

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