

PLANNING FOR A GRACEFUL EXIT

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After years of building your business it can be difficult to think about doing anything else. But what happens when you decide it is time to step away? Do you have an exit plan for yourself? Where do you start? Your advisors can work with you to determine the value of your business and help you achieve the best tax results, but thinking through some considerations in advance can facilitate the discussion.

Here are some things for a business owner to consider:

- What is your time frame? A transition usually takes several years whether you are going to pass it on to someone already in the business or whether you are thinking about a sale.
- How involved do you want to be on a go forward basis? You could transfer ownership over time rather than all at once.

If you are thinking of an internal sale:

- Who do you think is capable of running the company?
- Is that person, or persons, interested?
- How could a deal be structured financially to meet the goals of all parties?

If you are anticipating that the company will be sold to a third party:

- To whom would your company be the most valuable? For example, an existing competitor or a company in the same line of business that wants to expand geographically?
- What steps can you take to make your company more attractive to a purchaser?
- What financial structure meets the goals of both parties?

These are hard questions and they just scratch the surface. Thinking about these matters well in advance is essential for a successful transition.



If you have questions about this or any other business or tax issue, please contact your Account Manager or [Alicia Brockland, CPA, ABV](mailto:abrock@connerash.com), at (314) 205-2510 or via email at abrock@connerash.com.