

Why you should plan an exit strategy

If you are a business owner, it's essential to have a business exit strategy. It outlines how you will sell, transfer, or otherwise dispose of your business when the time comes. It's a critical component of any business plan, and it's essential to have one in place even if you don't plan to exit your business for many years.

So, what are the benefits of having a business exit strategy? Having one in place can help you maximise the value of your business. By preparing for an exit, you'll be able to identify any potential issues that could impact your business's value and address them before they become problematic. You'll also have a clear idea of what your business is worth, which will help you set realistic goals for your sale or transfer.



Another benefit is that it can help you maintain control over the process. If you wait until you're ready to exit your business to start planning, you may find yourself in a position where you're

forced to make decisions quickly and under pressure.

There are several potential consequences of failing to have a business exit strategy in place. For example, you may find that you're unable to sell your business for as much as you could have if you had prepared properly. You may also find that you're unable to find a buyer or that the sale process takes much longer than anticipated.

Additionally, failing to plan for your exit could lead to disputes among family members, business partners, or other stakeholders. These disputes could lead to legal battles or even the dissolution of your business.

By planning ahead you can help avoid these types of issues. Do you want to sell your business outright, transfer ownership to a family member or key employee, or wind down operations entirely? Once you've established your goals, you can start to develop a plan for achieving them. In many cases, it's a good idea to work with a professional advisor when developing your exit strategy. They can provide valuable guidance and help you navigate the complex legal and financial issues involved in selling or transferring a business.

Our follow-on article next week addresses 'How much is my business worth?'

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