

## WHAT IS EXIT PLANNING?

Exit planning refers to a broad series of activities to prepare the business for an optimal sale process as well as ensure that business owners are psychologically and financially prepared to exit.

## WHY GO THROUGH THE EXIT PLANNING PROCESS?

Objective is to increase probability of success. Additional Seller benefits include:



Attract quality buyers, increase probability of closing and close deals faster



Maximize cash at closing, optimize tax position and reduce escrow amounts/hold-backs



Pre-empt probable Buyer/ Lender questions/ concerns

Exit Planning Prep  
~9-12 mos

M&A Process  
~6-12 mos

Post-Closing  
Transition  
~3-6 mos

## WHEN SHOULD A SELLER START TO PREPARE?

Given that most sale processes take 6-9 months, and it's common for sellers to stay involved a few months post-closing, a seller should start the process at least two years before the time they would like to fully exit.

## WHO IS TYPICALLY INVOLVED?

Business Owner

CPA / Wealth  
Manager

M&A Advisor

Corporate Attorney

CFO/COO

## KEY EXIT PLANNING WORKSTREAMS INCLUDE

### Finance / Accounting

- Prepare GAAP financials
- Perform Audits / Reviewed Financials /Quality of Earnings
- Substantiate personal/ nonrecurring expenses
- Ensure monthly/quarterly financial processes in place

### Legal/Operations/HR

- Locate and catalog company agreements
- Address major deficiencies (e.g. staffing, IT, insurance)
- Create employee retention/ incentive plans
- Update job descriptions, training materials and org. chart

### Marketing

- Create marketing strategy
- Prepare CIM, Teaser and buyer lists
- Build virtual data room
- Pre-screen deal with potential lenders