



FIVE-STEP EXIT PLANNING PROCESS™

I. Determining Your Objectives

- A. What are your personal and financial goals – both currently and after a business transfer?
- B. When do you want to leave your business?
- C. How and to whom do you want to transfer your business?

II. Developing a Comprehensive Exit Plan

- A. Select the right team members to advise you – accountant, lawyer, financial advisor, business broker/intermediary
- B. Conduct business valuation – will the current value meet your objectives and, if not, how should you increase that value over the next 3-5 years?
- C. Develop a comprehensive financial plan, including wealth strategies and tax impacts of various scenarios
- D. Develop specific strategies to reduce business and personal risks
- E. Execute on the plan – revisit it at least annually with your advisors

III. Ensuring Business Continuity During Plan Execution

- A. Adopt comprehensive shareholder agreement or LLC agreement
- B. Consider employee incentive plans – stock options or stock appreciation rights, deferred compensation programs, bonus plans to encourage retention
- C. Consider key manager or employee minority ownership

- D. Implement employee confidentiality and anti-piracy agreements
- E. Develop estate planning for death or disability of owner(s)

IV. Transferring Your Business

- A. Sale to family members or key employees
- B. Sale to a third party
- C. Family and business considerations
- D. Seller financing issues
- E. Management transition issues
- F. Managing expectations for new owners, exiting owners, employees and clients

V. Personal and Estate Planning Before and After Business Transfer

- A. Focus on personal objectives post-transfer
- B. Consider philanthropic or charitable goals
- C. Consider civic or community activities
- D. Implement comprehensive wealth management strategy
- E. Update estate planning regularly