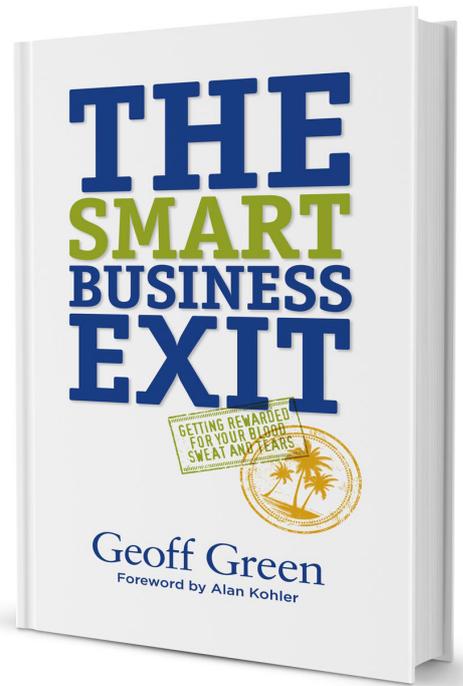


BUSINESS EXIT PLANNER



Good planning is the key to a successful business exit.

The Business Exit Planner will help you work through the key issues for your business exit. It will also assist you in working with your professional advisers.

While you can use The Business Exit Planner on its own, it was designed to use with The Smart Business Exit book. It includes cross references to the 7 exit strategies and other important sections of the book.

You can purchase your copy of The Smart Business Exit from

www.thesmartbusinessexit.com.au

**PLAN
A SMART
BUSINESS EXIT**

BUSINESS DETAILS

Your business name:

Business contact details:

PERSONAL POSITION AND GOALS

What are your key personal goals?

What are your long-term financial goals?

What are your current and future income needs?

What are your business assets and liabilities?

What are your personal assets and liabilities?

Are your personal and business assets sufficient to achieve your long-term personal and financial goals?

Do you have an estate plan, wills and powers of attorney in place?

BUSINESS EXITS ARE HARD (PG 17)

Business exits are notoriously difficult. It helps to understand the particular factors that may make your exit hard.

Which of the following issues concern you most when you think about exiting your business?

- Will I get properly rewarded for the blood, sweat and tears of building my own business?
- Will my business exit fund my retirement and help me achieve financial freedom?
- If my business exit is a failure, how will I cope?
- If my business exit is really successful, will I be able to handle it?
- Will my vision for my business continue or will it be wrecked by the new owner?
- Will my family and employees be properly looked after in the sale process?
- What will I do after I sell my business?

Pick one or two issues and note the key reasons why they concern you.

THE UNCOMFORTABLE TRUTHS ABOUT EXITS (PG25)

Rank each of the "uncomfortable truths" on a scale of 1 (highly likely) to 5 (highly unlikely) on how likely they are to impact on your business exit:

- Most business owners aren't ready for their business exit
- You often have little control over the timing of your exit
- Good business exits take a lot longer than most business owners realise
- Your business might not be as valuable as you think
- The world has changed. As a result, opportunities for business owners in many industry sectors to achieve good business exits are rapidly declining
- The kids won't be taking over the family business
- There will be a virtual tsunami of baby boomers trying to sell their businesses over the next 10 to 15 years

Pick your top "uncomfortable truth" and note your ideas on how you can minimise its impact on your business exit.

UNDERSTANDING YOU AND YOUR EXIT OPTIONS (PG35)

John Warrilow, author of the best selling book Built to Sell, identifies three types of business owners: mountain climbers, freedom fighters and craftspeople. Which is your dominant type?

There are three key types of businesses: SME, entrepreneurial and big business. What is your business type?

The four most common ways to exit a business are liquidation (not good!), transition (passing your business to family or employees), financial and strategic. Of the four types of business exit, which one is most likely for you? Why?

CREATING VALUE IN YOUR BUSINESS (PG49)

What three things could you do in your business over the next 12 months to make it more valuable to a potential buyer?

1.

2.

3.

What would the key challenges be and how would you overcome them?

YOUR EXIT PRICE (PG65)

What is your business worth to you right now?

What is your business worth to a potential buyer?

If there is a difference, note down three key reasons why:

1.

2.

3.

STRATEGY 1

HAVE A REAL AND ENDURING PURPOSE (PG85)

A business with a real and enduring purpose is more valuable to potential buyers. In one sentence describe the real and enduring purpose of your business.

If you don't have a real and enduring purpose, is there a key reason for that?

What are three things you could do to develop a real and enduring purpose for your business if you don't currently have one?

1.

2.

3.

STRATEGY 2

SEE THE FUTURE (PG101)

All of the great entrepreneurial companies like Apple, Amazon and Virgin have a unique ability to anticipate customer's future needs for products and services. Is your business focused on developing great products or services or a unique way of doing business?

If not, note three initiatives you could take in your business to focus on those things.

Are you the best person to drive those initiatives in your business? If not, who should?

STRATEGY 3

DEVELOP GROWTH DRIVERS (PG119)

Businesses that are growing strongly or have the capacity to grow strongly in the future are always more valuable to potential buyers. Do you have growth drivers in your business? If so, what are they?

If you don't currently have growth drivers in your business, what sort of growth drivers could you potentially build into your business?

What would it take to implement them in your business?

STRATEGY 4

BUILD TO SELL (PG141)

Preparing well for exit involves maximising value and minimising risks for your potential buyer.

What can you do to maximise value in your business by:

- Reducing reliance on you as business owner
- Building recurring revenue streams
- Minimising reliance on particular suppliers, customers and employees
- Developing high customer satisfaction

What can you do to minimise risk in your business to potential buyers as a result of:

- Poor quality financials
- The use of unsuitable business structures
- A failure to separate business and personal expenses and transactions
- A lack of clear ownership of business assets
- Informal arrangements with key suppliers and/or customers

STRATEGY 5

ALWAYS THINK LIKE A BUYER (PG161)

Most business owners don't think like buyers when they exit. If you do, you will improve your business exit. Imagine being in the shoes of the perfect buyer for your business. What does your perfect buyer look like?

How would your business look to your perfect buyer?

What special value would your perfect buyer see in your business (i.e. do you have unique products and services with high growth potential)?

Would your perfect buyer be able to use their position in the market place and their resources to generate substantial profits from any special value in your business?

What things would your perfect buyer want to fix or change in your business before they bought it?

STRATEGY 6

GET THE BEST DEAL (PG187)

There are four "pillars" and four "out of left field issues" that will have a significant impact on how successfully you exit. What are your key thoughts on the four "pillars" for getting the best deal?

1. Deciding the best time to sell
2. Appointing a great advisory team
3. Creating a competitive sales process
4. Getting good deal terms

What are your key thoughts on the four "out of left field issues"?

1. Performance earn-outs
2. Fatigue
3. An unsolicited offer from a potential purchaser
4. Dealing with the emotional roller-coaster of exiting your business

STRATEGY 7

ACT WITH FOCUS AND URGENCY (PG223)

Great businesses have a culture of focus and urgency in everything they do. This has a big impact on how successfully you exit.

Do you have a culture of focus and urgency in your business?

If not, which of the following holds you back?

- Lack of purpose
- Focus and urgency is hard
- You have a unique opportunity
- You want to get everything just right
- You want to avoid risk
- Having the focus and urgency to seize opportunities takes courage

How is this holding you back?

What are three things you could do in your business to build a stronger culture of focus and urgency?

1.

2.

3.

EXCUSES, EXCUSES (PG251)

Rank each of the “seven common excuses” on a scale of 1 (highly likely) to 5 (highly unlikely) on how likely they are to stop you getting on with planning your business exit:

- It's too early, I won't be exiting my business for years
- It's too complicated and overwhelming
- There are too many relationship issues to deal with
- It will cost too much
- I don't have the time or resources
- What will I do after I sell my business
- I already “have a plan”

Pick your top “common excuse” and note your ideas on how you can minimise its impact on your business exit.

GETTING STARTED (PG265)

What will be the most effective way for you to get started on your business exit:
Your own research, mentors, tapping advisers for insights, an advisory board, an entrepreneurs club, or a mixture of these?

What would you need to do to get moving on at least one of these straight away?