

# Exit Strategy Checklist - Public

## 1. Define Your Goals:

- Clarify your exit objectives, whether it's selling the business, passing it on to a family member, or liquidating assets.

## 2. Timing and Preparation:

- Determine the ideal timing for your exit and start preparing well in advance.

## 3. Business Valuation:

- Get a professional business valuation to understand the current worth of your business.

## 4. Financial Planning:

- Work with a financial advisor to optimize your financial position before and after the exit.

## 5. Legal and Tax Advisors:

- Consult with legal and tax advisors to navigate the complex legal and tax implications of the exit.

## 6. Documentation:

- Gather and organize all important business documents, contracts, and financial records.

## 7. Identify Potential Buyers:

- Identify potential buyers, whether they are competitors, investors, or individuals interested in your industry.

## 8. Business Performance Enhancement:

- Focus on improving the business's financial performance and operations to make it more attractive to buyers.

## 9. Confidentiality Agreements:

- Ensure that potential buyers sign confidentiality agreements to protect sensitive business information.

## 10. Business Presentation:

- Create a compelling business presentation or prospectus that highlights the strengths and opportunities of your business.

## 11. Negotiation Strategy:

- Develop a negotiation strategy to achieve your desired exit terms and price.

## **12. Due Diligence:**

- Be prepared for due diligence by potential buyers, which may involve a deep examination of your business records.

## **13. Letter of Intent (LOI):**

- Review and negotiate the terms of a Letter of Intent (LOI) with potential buyers.

## **14. Legal Contracts:**

- Draft and review legal contracts, including the purchase agreement, to ensure legal compliance.

## **15. Employee Communication:**

- Communicate the exit plan to employees and address their concerns or questions.

## **16. Customer and Supplier Notifications:**

- Notify customers and suppliers of the upcoming changes and assure them of a smooth transition.

## **17. Transition Plan:**

- Develop a transition plan to ensure a seamless handover of responsibilities and operations.

## **18. Post-Exit Involvement:**

- Determine if you will stay involved in the business in any capacity after the exit.

## **19. Legal Compliance:**

- Ensure compliance with all regulations and licenses during the exit process.

## **20. Finalize Financial Details:**

- Complete all financial transactions and transfer assets as per the exit plan.

## **21. Employee Compensation and Benefits:**

- Address employee compensation, benefits, and severance packages as required.

## **22. Closing the Deal:**

- Sign the final agreement, transfer ownership, and close the deal.

## **23. Post-Exit Financial Planning:**

- Work with financial advisors to plan for your financial future after the exit.

## **24. Celebrate and Reflect:**

- Take time to celebrate your achievements and reflect on your entrepreneurial journey.

## **25. Legal and Tax Compliance After Exit:**

- Ensure continued compliance with legal and tax obligations following the exit.
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