

Exit Strategies

Any person involved in starting and running a business of their own should give very careful thought as to how they will exit that business – an exit strategy - at a later date. Every business needs an exit strategy, even if things are going fine and you have no intention of giving it up. Life changes. Having a plan for exit ahead of time gives you an opportunity to think through what your needs might be in a clear, unhurried manner. Exit strategies can have huge variations over different industries. For instance exit strategies for a lawn mowing business (these can have huge interest from potential buyers) where the main asset can be equipment and a regular customer list will vary greatly to an art gallery. One of the interesting points we came across while researching this manual is the huge difference in price that an 'old economy' business might fetch in an exit sale compared to 'new world' high technology business ventures, which in many instances can sell for many millions of dollars with little or no operating profit. Like most business owners you probably concentrate on trying to grow your business, and might not even be in a position to think of selling it or getting out of the business. You probably don't want to run the business for the rest of your life, and will probably want to retire at some point. Making sure you put an exit strategy in place is important, as it will help you maximize the value of your business when you come to sell it.

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