

NAVIX® EXIT STRATEGY CHECKLIST – SELLING TO AN OUTSIDE BUYER

Owner: _____ Business: _____ Date: _____

Every business owner will exit from the business, one way or another. In fact, there are four potential strategies to exit from a privately owned business. Identifying which strategy is yours creates a clear path to plan and execute a successful exit. The four possible business exit strategies are:

1. Pass to Family
2. Sell to Outside Third Parties
3. Sell to Inside Key Employees
4. Planned Liquidation

If your strategy is to sell your business to an outside buyer, in our terminology we call that being an “Outie.” Being an Outie presents many rewards. Sale to a third party may create financial freedom, validate your years of hard work and sacrifice, and launch a legacy as the business continues forward because of your efforts and accomplishment. Selling a business for top dollar, with minimal taxes, while fulfilling your business legacy, takes hard work and preparation. Owners cannot afford to be surprised late in the game and realize they are failing short of meeting the conditions required to successfully exit via sale.

In our experience, there are four absolutely essential conditions that Outies must meet in order to achieve a happy exit. Review the checklist below to evaluate how prepared you are, and to identify actions that will help you achieve a successful exit.

Required Conditions	Assess Your Current Condition
1. The business has value as an ongoing concern not significantly dependent upon me.	<input type="checkbox"/> Yes <input type="checkbox"/> Close <input type="checkbox"/> Far <input type="checkbox"/> Unsure
2. The business does not have any unresolved legal, financial, human resource, tax, operational, or environmental issues that could significantly reduce profitability or value in the foreseeable future.	<input type="checkbox"/> Yes <input type="checkbox"/> Close <input type="checkbox"/> Far <input type="checkbox"/> Unsure
3. No single customer, or group of customers controlled by a single decision-making party, could cause serious damage with its departure.	<input type="checkbox"/> Yes <input type="checkbox"/> Close <input type="checkbox"/> Far <input type="checkbox"/> Unsure
4. Co-owners (if applicable) have signed a binding agreement to determine who may authorize the sale of the business and the process for doing so. <i>(mark “Yes” if NA)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> Close <input type="checkbox"/> Far <input type="checkbox"/> Unsure

Any conditions that you evaluated as either “Far” or “Unsure” about meeting could undermine or block your successful exit. Whether your desired exit is around the corner, or years from now, proper planning begins now in order to one day exit happily.

NAVIX® helps owners of closely held businesses plan for and execute successful exits: achieving financial freedom, creating a sustainable legacy, and exiting on their own terms. To review your exit goals and objectives with someone from the NAVIX team, or to learn about the NAVIX program, please visit www.navixconsultants.com.

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