



Take Action Results
Profit! Freedom! Lifestyle!

Exit Strategy

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What is a Comprehensive Exit Strategy? It is a detailed strategy for identifying the current value of your business, quickly enhancing its value, and developing a marketing plan to identify the ideal internal or external buyer to pay the best price for your business.



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Why is a Comprehensive Exit Strategy important? When you decide it is time to exit your business you want to get the most value for what you have likely spent years building. In the absence of a CES, you will most likely waste time and money and never truly realize the net proceeds you hope for; it really is that simple.



Exit Strategy

What is the elephant in the room on this topic? Most business owners wildly overestimate the value of their businesses. It's very likely that they have never had their business formally valued by a business transfer professional.

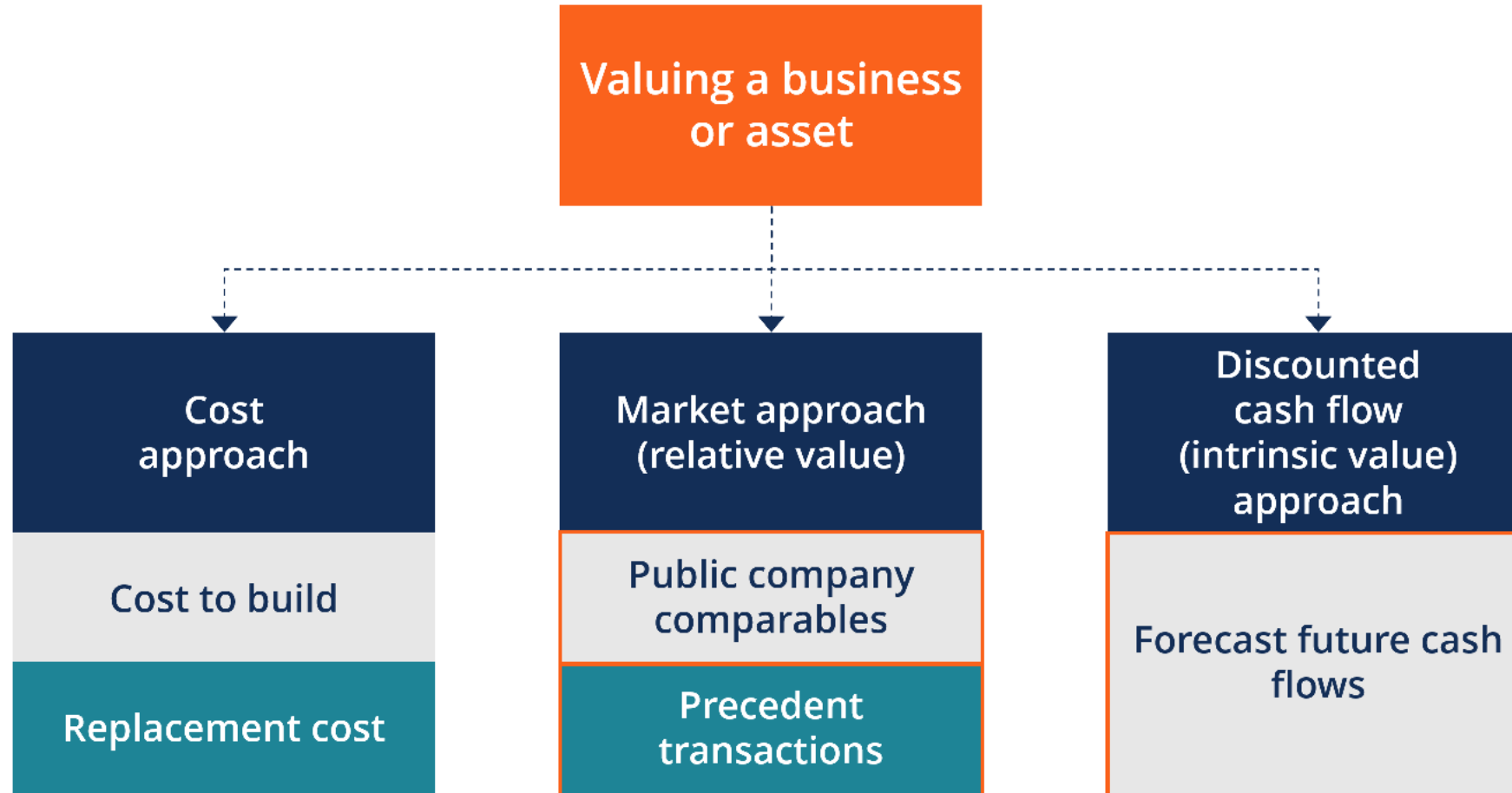


Exit Strategy Steps

1. Identify Target Value
2. Determine Current Value



Business Valuation Methods



The Cost Approach looks at what it costs to rebuild or replace an asset. The cost approach method is useful in valuing real estate, such as commercial property, new construction, or special use properties.

Market Approach, which is a form of *relative valuation* and frequently used in the industry. It includes Comparable Analysis and Precedent Transactions.

The discounted cash flow (DCF) approach is a form of *intrinsic valuation* and is the most detailed and thorough approach to valuation modeling.

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2. Determine Current Value
3. Math gives you the Value Gap

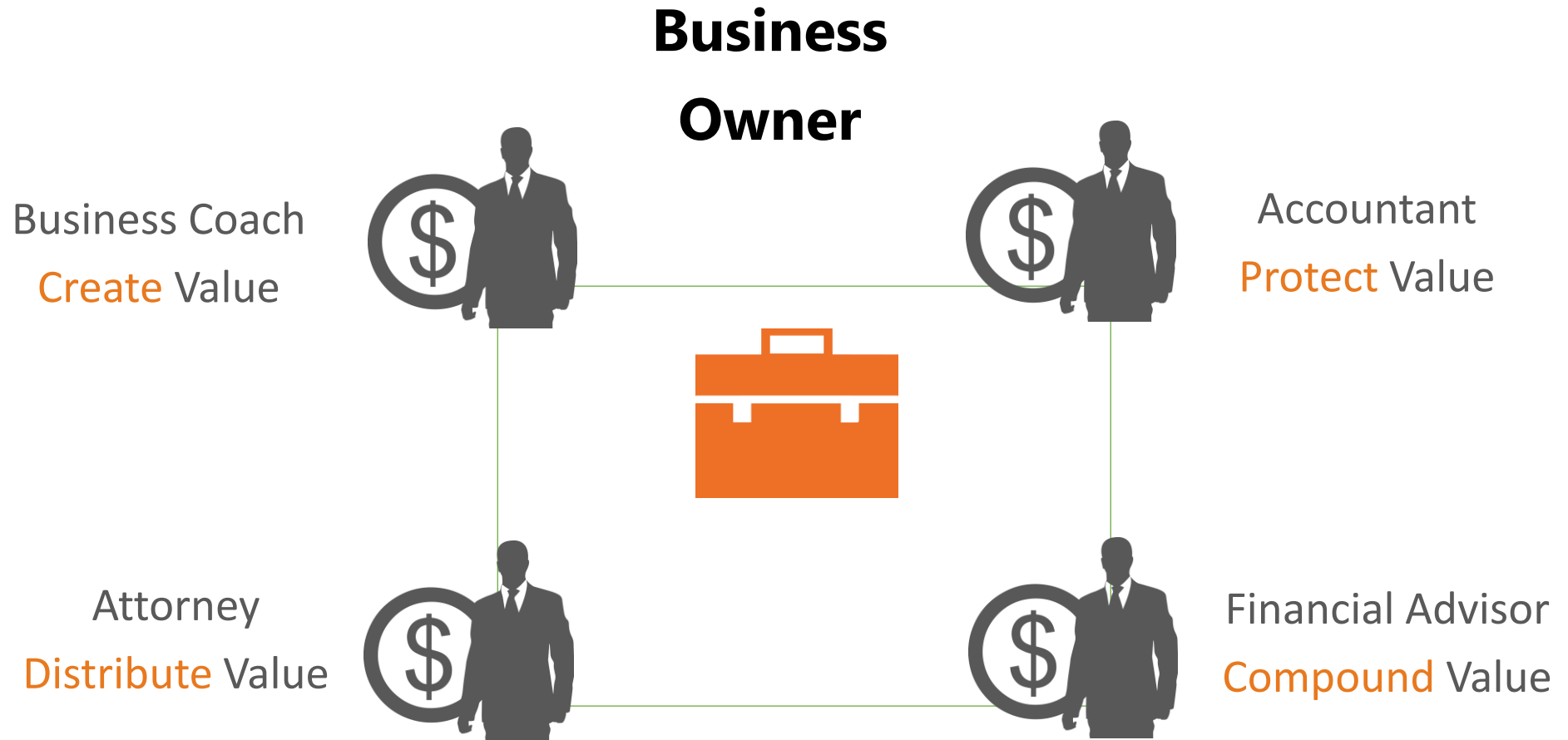
$$\begin{array}{c} \text{Target Value} \\ - \\ \text{Current Value} \\ = \\ \text{Value Gap} \end{array}$$

Exit Strategy Steps

1. Identify Target Value
2. Determine Current Value
3. Math gives you the Value Gap
4. Close the Gap using strategies outlined in this course
5. Assemble and Prepare the Team



Exit Strategy Team

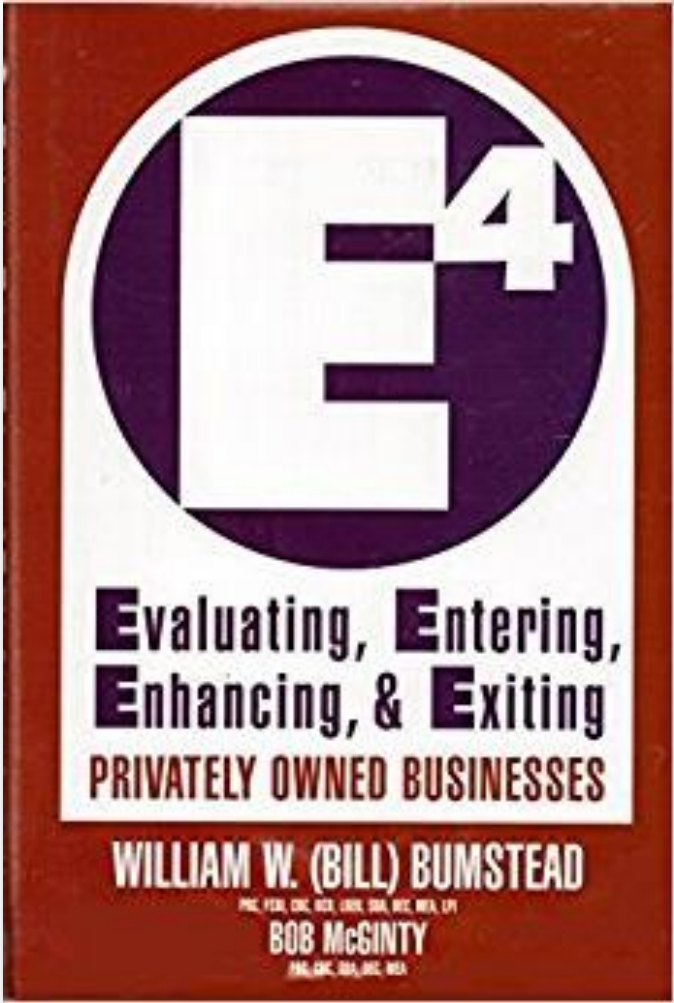


Exit Strategy Steps

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3. Math gives you the Value Gap
4. Close the Gap using strategies outlined in this course
5. Assemble and Prepare the Team
6. Identify Internal and/or External Buyers



A Primer on Selling Businesses



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