



May 2, 2023 | Insights, Exit Strategies

HOW TO START YOUR BUSINESS AND EXIT PLAN SIMULTANEOUSLY (YES, IT CAN BE DONE!)

You're starting your business. Exciting! Quick question: What is your exit strategy?

The exit strategy is understandably one of the most commonly overlooked aspects of entrepreneurship, especially in the startup phase. When you're just beginning, it can be difficult to envision exiting. However, establishing the early workings of an exit plan will provide a clear roadmap for your business based on your goals for the future.

Create a Buy-Sell Agreement

If you're founding your company with a business partner or several co-founders who will all be partners, a buy-sell agreement is a fundamental step to address. It will solidify everyone's commitment to the business in the short term and set the

parameters for any potential transitions in the long term.

Legally, a buy-sell agreement is a document that outlines how shares or interest (units) of a company will be distributed or divided in the event of a shareholder's exit. Foundationally, it helps protect you and your business from abrupt exits and unplanned circumstances.

Put the Right People Around You

The team you assemble is crucial to success at any and every phase of your business. It will take plenty of searching, including soul searching, to identify the personalities and skill sets for certain positions. When you're just starting your business, you'll likely want to bring on startup-minded people to create a dynamic and synergistic environment that fosters creativity, collaboration, and growth. This is a different approach than that of a well-established company that might require more structured and regimented individuals to manage larger systems and processes.

In any event, try to avoid the trap of being at the center of everything that happens in your business. When you find people you trust, allow yourself to let go of control so your company can grow on more than the work you do as the owner. Having an organizational structure and leadership team will eventually make your business more transferable and salable.

Enter the Market with Humility

Is your brand-new startup the number one service provider in the area? Realistically, probably not. Strive to be number one, but recognize that there is work to be done to earn market share and brand loyalty. Listen to your customers, understand their needs, and make necessary adjustments to your business model and long-term business plans. Growing a business requires some room for error that every entrepreneur needs. At the same time, learning from your competition will provide important insights to steer the business accordingly.

Stay True to Your Mission

Your company mission is your guiding light, providing a clear direction and purpose. It helps you make decisions that align with your values. Early on, it's easy to go after every opportunity to grow your business, but doing so can cause you to veer off course and eventually find yourself in a business that you don't find rewarding. By staying true to your mission, you will also be tracking toward your ideal transition, while taking on the day-to-day grind in between with authenticity and passion.

Build It To Sell It

There's an entire philosophy around the idea of building your business to ultimately sell it. That means establishing efficient processes and robust systems early on to lay a solid foundation for growth and scalability. Think bigger than your business is right now so that as your business grows, you have less difficulty streamlining operations, increasing productivity, and maintaining quality and consistency. Buyers will look at your systems and processes to determine whether they can easily step in and build on your success.

As you embark on your startup journey, add an exit plan to your startup plan. Believe in yourself and your business by identifying your ideal exit, or in other words, your Win.