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LIQUIDATION: IT'S NOT WHAT YOU THINK

Are you looking to exit your business? Do you want to reward yourself for all of your hard work? You might not need a buyer in order to get out. Instead of navigating the havoc brought by the pandemic, what if you could just—*snap*—cash out and close up shop?

Rather than a potential buyer scrutinizing your life's work, imagine withdrawing the money and assets from your company for your personal financial security (completely taboo, we know). Even with uncertainty swirling all around, you could go from 15-hour workdays filled with stress and difficult decisions to a clear and comfortable period of time for you to reset, recharge, and reposition for your next venture.

We're talking about liquidation, a perfectly viable, extremely successful, yet often maligned exit choice.

The Meaning We Assign

For most business owners, “liquidation” means folding and failure, but that’s just not the case. “Liquidation” is an objective term. The absolute sense of the word means, simply, to “end a business.” But it packs a wallop when impacted by emotions like pride, confidence, determination, and courage. While these are positive qualities in a business owner, they can become barriers to cashing out when this objective end becomes a subjective symbol of something else in the owner’s mind.

The Win We Overlook

You don’t run a business for the paycheck, and you certainly don’t do it to save time. There are easier ways to make money, but you are an entrepreneur because you love what it does for your life.

If you are able to provide for your family, raise your kids, build rewarding relationships, set your own schedule, travel as you please, and be your own boss, then choosing to close your business is every bit the storybook ending as selling it. We’re not trying to convince you that liquidation is not a loss; we’re here to tell you that it can be your best exit strategy. The truth is 80% of businesses don’t sell, and so liquidation can be a resounding, tremendous, outstanding win under the right circumstances.

A Fast and Easy Exit

After evaluating some companies, we find that they may have more value in collecting the accounts receivable and selling all machinery and equipment than in the marketplace. All you have to do is pay your final bills, sell off the assets that have value, take the money left in the business account, and close the doors. Liquidation is fast, efficient, and effective. It’s much simpler than a transaction and eliminates any future liability by taking a buyer out of the picture. If the numbers and/or your heart are no longer in the business, liquidating sooner can help you avoid feelings of emptiness later.

An Exit Strategy to Explore

Is it bittersweet, bordering on upsetting? Absolutely, and many businesses are going through it right now. Should you liquidate your business? That's a rattling question to ask and answer. But when you truly understand the word, speaking it out loud doesn't have to hurt. It could be an option—even the best option—and the best way to understand that option is in relation to the reason for leaving the business. The key is to know that liquidation is not the last option or the only option. It is just an option to consider. We will work together to identify and achieve your win.