



TRIGGER EVENTS

WHAT'S YOUR PAIN?

ASSESSMENT

Assessment

What To Consider In The Situation

Running a business everyday often forces owners to keep their heads down to the grindstone. Then, every once in a while, the owners will lift their heads and say, “what’s next?” It can be hard to find information about exit options and get an independent assessment of what exit works best for you. You can shut your doors, sell the business to your kids or key-employees, sell the business to a third-party buyer, hire someone to run it, or just keep it going the same way as always. There is no right or wrong answer, just a choice.

As an owner the first step is to learn about the different exit options and then evaluate those options against your personal goals and the business itself. Educating yourself on the options is very empowering and provides you with the tools to start to develop a strategic plan. It’s hard to know what to do next when you don’t know the options, costs, and time it takes for each possible path.

How ECG Supports The Situation

Our Exit Engineering® process (that we developed over decades of working with hundreds of business owners) educates, explains, and evaluates the owner readiness, business readiness, and market readiness for an exit.

We explore your personal exit objectives to understand and define your WIN. Then, our team of experienced, trained, and certified Exit Engineers® dive deep into your business to provide a true evaluation. Finally, we look at the market, and the business value, and consider all available opportunities.

Case Study Example

The Challenge

A business owner received several unsolicited offers but struggled with the thought of exiting his company. His company had a great senior management team and family members in management positions. He had enough money for retirement, so his exit struggle was personal. Should he pass the company to his kids and leave a legacy? Should he sell it to his senior management team, who helped create the company value? Or should he sell it to an outside company and walk away?

The Solution

Our Exit Engineers interviewed the owner in-depth and challenged him to determine his personal WIN. We looked at different goals - company legacy, the kids' inheritance, opportunities for the key employees' and putting money in everyone's pockets. We evaluated the business to determine if the management team could run the business without his involvement, then we performed a business valuation to see if the children or employees could afford to buy the company.

The Result

We explored all the options with everyone in an open process, allowing all stakeholders to explore different exit options. In the end, the kids didn't have the ability to run the company and the key employees did not want to be in partnership with each other. The company spent the next three years working with us to set the company up for a successful sale, and everyone benefitted from the increase in the company's value.

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