



TRIGGER EVENTS

WHAT'S YOUR PAIN?

DIVORCE

Divorce

What To Consider In The Situation

Having a business partner who is on your side during the daily grind and fight can be great. Unfortunately, life happens, and a partner separation can be messy and stressful for all parties involved. Competing every day against the world is a challenge and now internal fighting makes it even harder to succeed. Not only does the distraction of a dysfunctional relationship add stress to your working partnership, but it also adds stress to the company cashflow as well.

Looking for solutions and understanding the various options available can be a challenge when you are upset. It's even more difficult to understand the ramifications those options can have while in this mind set. Lack of communication between the partners often is the largest barrier to success as both parties are highly sensitive to each other's words and tone. The internal challenge between partners is often picked up by the employees, vendors, and suppliers, making everyone stressed and uncomfortable.

Having a third-party advisor such as Exit Consulting Group® (ECG), who has no emotional involvement, can help facilitate the communication and resolution of some issues. Without the emotions and historical baggage of running the business together, outside help is often the only path to a successful solution.

How ECG Supports The Situation

There is no simple path to a partner separation. This is an emotional and financial distraction that takes focus away from the business. It takes all of our Exit Engineers'® core values: Emotional Intelligence, Intellectual Agility, and Integrity to facilitate a solution that works for everyone.

We help our clients with all types of business situations, including partnership separations. We are an independent third-party advisor; we do not represent one side or the other. Our position is always about the continued success of the business and a WIN for all partners. We work towards a transition in which the company can continue to survive and thrive well after the partnership splits. This focus on the business, and not the person, allows us to work collaboratively to develop a solution that both parties can agree to.

Case Study Example

The Challenge

Three brothers inherited the business from their father. While all the sons worked in the business together, their father was the glue. Each had very different skill sets and value to the business. One of the brothers had always disagreed with how the company was being run and decided to leave. He had a sales and business development role and wanted to start his own company. There was no buy/sell agreement in place, no agreed valuation methodology and the company didn't have the money to pay him for his shares.

The Solution

We met with the three brothers and explained all the exit options for the departing brother to consider while helping to keep the emotions down to a low roar. Ultimately, we needed to find a solution that worked for the remaining two owners, the company, and the departing brother.

The Result

We focused on an after-tax cash proceeds price and not on a sales price. We developed a terms and payment plan that was acceptable to the owners and what the business could afford. Working in partnership with the corporate attorney and CPA, the documents were all executed correctly, and the business is still operating successfully today.

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