

# THE EXIT CONSULTING GROUP EXPERIENCE



## DIVORCE

### WHAT TO CONSIDER IN THE SITUATION

Having a business partner who is on your side during the daily grind and fight is great. Competing every day against the world in general is a challenge, but unfortunately, life happens, and when a partner wants to separate it can be messy and stressful for all parties involved. The dysfunctional relationship becomes a distraction and adds stress to your working partnership, and to the company cash flow as well. Looking for solutions and understanding the options available are challenging when you are upset, and lack of communication between partners becomes 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, and 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. As an independent third-party advisor, we do not represent one side or the other. Our position is always about focusing the continued success of the business and working collaboratively to find and achieve the WIN for all partners.

### CASE STUDY EXAMPLE

#### The Pain Point

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 the 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.