

# The Business Exit Planning 4 Step Process

By John Niekraszewicz, BMath, FCSI, CFP, FMA

The major reason for selling a company is burnout. Entrepreneurs are excited when building and growing their business, but for some, managing the day-to-day operations can become mundane. Another reason is unforeseen, sudden and dramatic changes in one's life, such as divorce or illness.

*"What You Ought to Know Before Planning Your Business Succession"* is a booklet that shares some real life experiences I have encountered through my relationships with other business owners. Many of these owners have been successful at growing and running their business but have never exited a business before. And most surprising, many were unprepared for their inevitable business exit and biggest financial transaction of their lives.

Without a plan, exiting your business can be seen as a lot of work. As a result many business owners wait until it's too late. These are the ones who either sell their business at firesale prices or die together with their business.

To help business owners, I realized they needed a multi-step process that can be implemented over a number of years - a process quarterbacked by a financial advisor that provides a planned approach to transitioning out of their business. The Business Exit Planning 4 Step Process is this multi-step process.

This exit planning process is similar to the process used in the construction of an investment property. Before starting the construction of a building, a team is assembled, the building is designed and architectural drawings created. The contingency plan is then put in place to protect all parties from unforeseen events. Bonding,

financing covenants and insurance are all part of this contingency plan. The third stage is managing the completed property to maximize cash flow. Finally, the building can be packaged and sold at the right time to maximize profits.

Compare how similar the investment property analogy is to The Business Exit Planning 4 Step Process.

*The Plan is implemented over a number of years*

## Step 1- Financial Independence Plan

First I look at your assets, income and cash flow. Then investments are placed in managed portfolios that are consistent with your risk tolerance.

## Step 2 - Develop a Contingency Plan

Various types of insurance are put in place including life, critical illness, buy/sell and key man. This will ensure that your business continues to thrive in the event of unforeseen death or illness.

## Step 3 - Wealth Transfer Plan

I review your estate, tax liability and wills so that the objectives of tax minimization, maintaining family harmony and philanthropic wishes are achieved.

## Step 4 - Exit or Sell your Business

Now you are ready to successfully exit your business on your terms. I will bring in the required experts.

*You need  
a game plan  
if you are going to  
win the  
Business Exit Game*

A Business Exit Planning specialist's job is to help business owners consider their options for exiting their business as they get older. By following the 4 Step Process, the business owner can see the big picture and plan for a successful business exit.

A professional sports team can have the best athletes in the league on their team, but that doesn't guarantee winning. They need a game plan and a coach who makes sure they execute the game plan. Business owners also need a game plan if they expect to win the Business Exit Game.

To help you win the Business Exit Game start planning your exit today. Become educated about the Business Exit Planning 4 Step Process. And read my booklet, *"What You Ought to Know Before Planning Your Business Succession"*.

*To start your Business Exit  
Planning 4 Step Process*

*contact*

*John Niekraszewicz  
(Nick-ra-shev-itch)  
Certified Financial Planner*

[www.jvkgroup.com](http://www.jvkgroup.com)