



What is Exit Planning?

Exit planning is a comprehensive strategy that allows business owners to exit their businesses on their terms and conditions. It is a process that addresses all aspects of transitioning a privately owned business when the owner is ready to sell, retire, or transition the business to someone else. Exit planning answers all personal, financial, legal, and tax-related questions regarding the change in the ownership of a privately owned business, and it includes contingency plans for death, disability, disagreement, divorce, and other unforeseen circumstances.

An exit plan is a roadmap that leads the business owner to successfully achieve a desired outcome from the business. It is derived from asking and answering all the business, personal, financial, legal, and tax questions involved in selling a privately owned business, all while addressing potential contingencies and strategies to increase the overall value of the business. The exit planning process can take two to five years and involves the efforts of several professionals facilitated and led by an exit planning advisor who ensures not only the plan creation but its timely execution.

Exit planning is a good business strategy that ensures business value is maximized, personal and business goals are achieved, and tax value is minimized at the time of exit. It is a team effort that includes a business owner, an advisor team, and an exit planning advisor. The goal is to smoothly transition ownership of a privately owned business in a way that streamlines the process, benefits the exiting party, and allows greater control over the exit process.

Exit planning offers several benefits to business owners, including:

1. **Maximizing business value:** Exit planning helps business owners maximize the value of their business by identifying and addressing any value gaps and transferability obstacles. By developing strategies to increase the value of the business, owners can ensure they receive the best possible price when they exit.
2. **Achieving personal and business goals:** Exit planning allows business owners to achieve their personal and business goals by creating a roadmap that leads them to successfully achieve a desired outcome from the business. It helps owners understand what is important to them while running and after exiting the business.
3. **Minimizing tax value:** Exit planning helps business owners minimize tax value at the time of exit. By addressing all tax-related questions, owners can ensure they are not overpaying taxes and are taking advantage of all available tax benefits.

4. Creating contingency plans: Exit planning includes contingency plans for death, disability, disagreement, divorce, and other unforeseen circumstances. This ensures that the business can continue to operate smoothly even in the event of unexpected circumstances.
5. Streamlining the exit process: Exit planning allows greater control over the exit process. By creating a written roadmap or exit plan, owners can ensure a smooth transition of ownership of a privately owned business in a way that streamlines the process and benefits the exiting party.

To recap, exit planning is a comprehensive strategy that allows business owners to exit their businesses on their terms and conditions. It is a process that addresses all aspects of transitioning a privately owned business when the owner is ready to sell, retire, or transition the business to someone else. Exit planning ensures that business value is maximized, personal and business goals are achieved, and tax value is minimized at the time of exit. It is a team effort that includes a business owner, an advisor team, and an exit planning advisor.

Why Stony Hill Inc.

Our team of advisors specializes in business brokerage, mergers, acquisitions, and strategic preparedness. Seasoned professionals bring a depth of knowledge to your transaction. At the heart of our approach is the strong partnership we cultivate with our clients, essential for securing successful outcomes. Whether your objective is to disengage from your enterprise in the imminent future or contemplate long-term plans, obtaining proficient advice and formulating a plan is imperative.

What We Do

As professional intermediaries our advisors play a crucial role in facilitating transactions between buyers and sellers. Responsibilities include conducting market analysis, determining value, promoting, and identifying businesses for sale, screening potential buyers, as well as negotiating and closing transactions. Our extensive process ensures the best possible outcome for both parties.

We engage in open and transparent discussions with our clients to fully understand their goals and timeline. These discussions allow us to align expectations and determine the feasibility of their objectives within current market and transaction conditions. Our focus is always on achieving the best possible outcome for our clients and the success of their transaction.