INTERNAL TRANSITIONS

When planning for an owner's exit, the best exit strategy may be to transfer ownership to internal individuals. We help you evaluate whether or not this strategy is your best option and then help you implement this strategy.

There are several alternatives when evaluating whether an owner should sell to an internal party:

1. **To another current owner**. If other partners/owners exist, then the exiting owner is bought out by the other owner(s).
2. **To the management team**. An owner sells all or part of the business to the company's management team. Management uses the assets of the business to finance a significant portion of the purchase price.
3. **To a family member or close friend**. Transfer of business to direct heirs, usually children or to close friends. This option typically requires extensive planning and can occur over time..
4. **To the employees through an ESOP**. Sale to the employees of a company can be accomplished through the creation of an Employee Stock Ownership Plan (ESOP).
5. **To the employees directly**. Sale to the employees of a company can be accomplished if a combination of outside funding and owner financing can be arranged.

Each of these strategies requires very different approaches and needs to be carefully planned and executed in a timely manner. At Stony Hill Advisors we work with the business owner to evaluate the best exit option and then help develop a timeline and project plan for the selected option.

1370 NC 24-87 STE 153 - CAMERON, NC 28326
PHONE: 910-476-7404 -- EMAIL: INFO@STONYHILLADVISORSINC.COM