

THE MYTH OF AN EASY EXIT

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Business owners who are thinking about exiting their business will often want to compare their potential exits to other owners who have been through an exit. A potential problem in trying to analyze someone's exit process is that the results, not the process, are often all that are seen.

So, if you see a successfully retired owner who sold their business and you believe that it was an easy process, most likely that is not the case. This newsletter is written to help dispel the myth of easy exits so that owners are encouraged to prepare for their exits and to encourage the assembly of the right team of advisors to assist with the process.

THE E-MYTH

A number of years ago, a man named Michael Gerber stumbled upon an unspoken rule of business; that entrepreneurs were not born, they were created. Much like Mr. Gerber's words of wisdom regarding the myth of the



entrepreneur applying to the growth of a business, there are an equal number of misconceptions surrounding the exit from a business. Namely, the idea that exits are born – or easily completed – and not created through hard work is another myth.

A PROCESS IS REQUIRED

The E-Myth book talked about a process, procedures and a plan to grow a business. Process, procedures and a plan are all part of eliminating discretion and creating metrics to grow a business. Planning an exit is really no different. It requires a discipline and a process by which you can follow some simple steps to achieve your desired outcome. But wait! What about the person you heard of who sold their



business for a countless fortune to a nameless buyer and that individual easily stepped into an effortless retirement? Why, you think, can't I have the same good fortune as this person? Well, again, exit plans are not born, they are created. And, more importantly, no exit is easy.

NO EXIT IS EASY

Zest, passion, and a never-say-die attitude is what exemplifies most entrepreneurs who are growing their business and overcoming obstacles in the process. The same grit, focus and determination is needed in an exit process. It should be assumed that every owner of a privately-held business will struggle with their exit. Without this assumption, you may fall into a trap of assuming that you are doing all of the right things and will trust your instincts as situations arise and as you negotiate a deal. However, what makes this form of planning different is the personal impact that most owners will feel.

THE BUSINESS AND THE PERSONAL

There is a combination of factors that make business exits unique for each owner. In short, it is the combination of business and personal considerations that make a private business exit a separate experience for each owner.

As the name and face of your business, your exit impacts most of the people around you, having a different impact than the growth of the business. Now you are part of the process of removing yourself from the business and leaving many of these folks to wonder about their own fate while they consider your decisions on the fate of the company.

FOLLOW A PROCESS FOR A RESULT

Given these challenges, it is helpful to come to two (2) important realizations:

1. No Exit is Easy

- This simply means that the easy exit is a myth. Don't believe in it because it will have you heading down an uncertain path at a point in time when you cannot afford to wander.

2. Follow a Process

This simple advice is relevant no matter who you are, what type of business you run, or what stage of exit you believe yourself to be in. One must follow a process to get a consistent result – this was the basic message of The E-Myth and likely true for your business growth. If you can take your exit one step at a time, you will find that the myth of an easy exit is quickly dispelled. But it can be replaced with a nuts and bolts process to assist you with the identification of what is most important to you, how prepared you are for your exit, what



what options are available, and what needs to be done in order to prioritize your desires and achieved your stated goals.

CONCLUDING THOUGHTS

Again, the myth of an easy exit is just that – a myth. Assume that all exits are difficult and yours will be as well. The more aware that you are about the need to follow a process to achieve your exit, the stronger you will be when it comes time to execute an exit that assists you in meeting your goals.

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Are you ready for next steps?
Click to complete our
Business Readiness Survey
and connect with our team.

If you are considering a change, be sure to consult your tax professional to help determine the true value of your business, and your attorney to review the sale documents for accounting and tax considerations.