

How To Exit A Business (Full Guide)

by GregDeTisi - Tuesday, July 30, 2024

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How To Exit A Business

Experience and expertise

There is a fine art to knowing How To Exit A Business, and to selling a business in the best way.

And whether or not you know it yet, you will know by the end of this article.

I will ensure that you understand the primary areas you will need to become aware of now when considering selling.

And it requires experience and expertise to get it right.

Business is a tough road

Anyone that has ever owned any kind of business will know that it takes a lot of blood, sweat and even tears to begin and run a business and see growth.

Much like a marriage, a business will take you up and down, you will have a deep burning passion, and love - and yet it will most likely be the most stressful thing in your life.

Sorry to say that, but it is often the case.

So, we all need just a little bit of support when considering how to run a business but also how to actually leave a business if the time is right.

Why does one leave a business though?

Most common reasons to sell a business

Cashing in at the point where one can live a comfortable future = Maybe you are ready to travel more or need a new exciting challenge

Market shifts, trends, emerging markets threatening failure = Perhaps its time to get out as changes in industry are imminent

Retirement to free up time and energy with family and to chill out a bit more = Family time comes first to me so I understand this option

Stress or burn out maybe going as far as one can with what they have = Create more simplicity and less of a hectic life for your health

Discovering another option for greater profit = Entrepreneurship can be addictive and it is fun to explore new avenues in opportunities

General health matters = Health has to be a priority as without it we have nothing so it makes sense to focus on that

A change of passion or desire for something new = maybe hobbies interests or a complete life change is in order

Seeing ahead of the curve and possible losses so getting out of the game = Smart strategic thinking enables good decisions & timing is everything

Any of these examples or areas familiar?

Hire The Experts

I can strongly advise that you consult a professional or a team with experience in this matter to guide you forward to ensure you can navigate the steps and processes correctly.

get to grips with what you will need to do to now understand How To Exit A Business.

Firstly you will have to start preparing your business for a potential sale

This means that you ensure you are not missing out vital factors in securing your exit whilst leaving yourself in a good situation for the future.

So this means you must understand where you are financially with regards to growth, and how to manage tricky decisions moving ahead with a sale.

Thinking of what's best for you and for the next owner you should be clear on all risks that will be faced, and be clear on how to handle the offers that may present themselves.

Because it could be that you receive an offer or opportunity that is too good to pass up on.

It might be that you wish to hand over your business or hire a partner to join you now and eventually take over.

How To Exit A Business

Ask yourself:

Do I know my total investable assets or the value of my business?

Have I any idea about when exactly I will wish to be handing over the operation and why?

What are my motivations for selling at this point?

Can I figure out how to plan my exit - perhaps with the right support and guidance?

In order to plan this, what experience might I have in prior financial situations?

Am I aware of what stage my business is at right now - and what process can I expect when selling?

There are always risks involved - so what are they in this investment?

In the 4 stages of the growth cycle in business do I know where I am?

Will I be able to spot great opportunities and offers?

Speaking with an expert or hiring someone that can help me with managing my asset is essential - so do I know anyone that can help?

Those are questions that you will need to explore and become aware of as you consider your next steps

How To Exit A Business

Here is a resource that can help you to begin with valuing your business.

[CLICK HERE TO START A BUSINESS VALUATION PROCESS WITH POMANADA](#)

[HERE IS 7 STEPS TO SELLING YOUR BUSINESS BY INVESTOPEDIA](#)

[COMPLETE GUIDE TO HOW TO SELL A BUSINESS BY RAINCATCHER](#)

Vision to exit - the book

A book that I loved and highly recommend is from Guy Rigby, a seasoned entrepreneur explains the

entire process he has used many times. And it's not just about selling a business it's about building a business in the first place.

So if you are starting out and are new to business, or if you have struggled before and got some tough lessons the hard way then consider reading this book, as it will undoubtedly be of great value to you.

The Author Is A Seasoned Professional

The book covers every area of entrepreneurship by Guy and I believe it is required reading for anyone in this situation, as it can save a great deal of time, energy and even money by understanding the fundamentals of business ownership and leadership, from that initial idea to the eventual sale.

You will be pleased to know that it is quite easy to read and apply.

[HERE IS A LINK TO GET the BOOK](#)

How To Exit A Business

Stages of Growth

I now want to touch on the fundamentals of Identifying where you are in the 4 Stages of Business Growth.

It is worth knowing that all businesses will experience these 4 stages of growth, so take notes and get familiar. Ready?

In short it this:

- **Startup**
- **Growth**
- **Maturity**
- **Renewal or decline**

These are the 4 stages of businesses phases.

If you have already ran and operated a business then you may know that it always has it's challenges and setbacks, and as you encounter each challenge you will find that you or you and your team will need to figure out the best solutions to overcome what is faced.

In doing so you should know that you must be aware of it's growth, and where in the process you are.

Get Familiar With This

If you are new to all this though then I recommend you study this post carefully to determine where you

are in this growth process, because ignorance can be very costly.

The reason is that you will then understand your strategic objectives and plan moving forward into an eventual sale, rather than guessing what it may be worth.

NOTE: Even if you don't wish to sell your business now you need to have the right tools and resources to implement your strategy and goals, so in knowing this you will be in a healthier position moving forward.

Starting your business is a great risk

But you knew that right?

It is in that first year to be precise where the highest risks are likely to be.

Why? Because the first year is all about testing, tweaking, finding solutions and pushing forward assertively to grow and survive.

And this is typically turbulent.

The key is to be flexible and open to changes, tweaks, alterations, adjustment and so on, if you are to survive and eventually thrive.

This is where knowing your daily tasks, and others daily tasks is key to managing your business, through understanding each person's roles and responsibilities.

Are You On Your Own

It might be that you are the sole person and only person that runs the business, in which case you will have to perform in various roles in order to keep the business afloat and moving in the right direction.

But if you fail to adapt in your model ' where required' you can easily lose your small business model in that first year.

It's stressful, I know, but this is why with market changes, shifts and the economic climate it will be very wise to plan for every eventuality.

Did You Make The First Year

Huge congratulations if you have.

If you have managed to weather the storm as it were and made it past that first year 'and' continued to grow, you have gained great experience and you should manage the sale as an expert with just as much care and attention.

Just as you have the first year of experience of managing your operation, you also should grasp the costs and cash flow to ensure you are not wasting money, to keep your business as smooth running as you can, as this will enable the growth you desire.

The more you gain this vital experience the more you will also gain an intuitive skill of knowing how to make better decisions and choices around the desired growth.

In fact - you should be sharpening your skills all of the time and developing your ability to reach goals.

Seeing Opportunity

Through seeing the opportunities presented to you, you will begin to reap the fruits of your hard work.

This will mean that you should ideally be seeing increased growth, as you have implemented the right strategy to gain market share.

What this also means is that you are developing a greater asset for ultimate sale.

Leadership Tips From Greg

Manage yourself and your expectations, and learn to be both emotional when you need to be and logical when you need to be.

Keep track of all your numbers & capital, project the expected numbers for each week, month & quarter.

Be efficient & don't waste resources.

Don't veer away from your core goals no matter how tough it gets, rather adjust and keep a focus of your financial forecasts.

Ensure you and your team all are aligned with the mission and vision.

And ensure that your tasks align with your ultimate vision.

Create and maintain great relationships with all involved.

That means with everyone - team members, customers, partners, share holders, and suppliers.

NOTE: Remember that your ultimate asset will be as a result of doing things right, with the right group of people.

On Track To Nail This

Hopefully by now you should be on track to reaching your goals as an established concern. Why? Because your brand/name and reputation should be reflected in the hard work you have put into it. This means that you have great market share and a solid consumer/customer base, hopefully with loyal and repeat customers.

This means you are in a strong position with your asset. But you shouldn't rest and take your eye off the prize, as too many business owners can easily do, which is to get too relaxed and assume that it will run itself. Always stay ahead of the curve.

What's next?

Study what your consumers are doing and may wish to experience next.

Through consistent data and feedback you will have your team identify where you may wish to enter new markets for example. Or you may develop existing products/services.

What Are Your Options

You are at the point where you can consider various options.

You may then focus on the next 5-10 years of continuing to develop your brand, or you may now wish to sell whilst the going is good.

Perhaps you now have a person or partner in mind to sell to or to join you? Perhaps you are looking to amalgamate in an agreement with another company?

Some might say that when you are this point you are in the best position to sell.

And timing is everything, as you don't want to miss an offer or opportunity when it presents itself.

Be sure to look ahead here and gauge where the future is headed.

Value Of Awareness

Through this awareness you will have understood and managed any changes and seen the right opportunities, whilst preparing for any potential industry shifts.

This means understanding your products/services and how that affects competition, and having a competitive advantage in all areas including technological processes and progress in all other areas of modern business.

This is because you will need to stay close to customers and their experiences.

It is important here that you are not ignorant or narrow minded with your perspective of the truth, and so this is where you will need to hire industry experts and experienced, seasoned professionals to help guide you where you may miss something vital to your ultimate sale.

You are now as ready as you will ever be to sell - if that is the choice you have decided to make.

If you haven't done so already you will need to now hire those experts to help you.

Ensuring the time is right

Your business should be at its strongest so that it is appealing financially which means that you can command the highest price, but also that it is in a position where it can be driven to a greater position with

the next owner/operator.

This is why you may currently require support and advice regarding potential re-investment to ensure your business is healthy.

And that is why I mentioned previously that you need to keep a strong eye on your industry, and the changes that may be coming.

Be The Monopoly

So, know your target market and aim to be the monopoly in this market so that you are at the right time to attract those hungry buyers.

Finally - remember to study all stages of business growth so you know what strategic input is needed with your plan, and never lose sight of your aim and goals in order to capitalize through maximizing every opportunity to improve and increase value.

How do I value my business for sale?

I recommend that you check out the articles below 1) Company valuation services - calculating the value of your business. 2) by Harvard university regarding the most effective way to value your business. 3) relates to WSP Solicitors if you are in the UK and wish to get expert help with selling your enterprise.

[VALUATION CHECKER BY COMPANY VALUATION SERVICES](#)

[CLICK HERE TO READ HOW TO VALUE A BUSINESS 6 METHODS AND EXAMPLES](#)

[CLICK HERE TO CHECK OUT WSP SOLICITORS SELLING YOUR BUSINESS GUIDE](#)

Well Done You Made It Here - Good On Ya!

I hope 'How To Exit A Business' has been of use to you. If you have any questions don't hesitate to contact me.

You may also enjoy this article I wrote, because by knowing your customer it will ensure you make the most of your strategic actions.

[CLICK HERE TO READ THE CUSTOMER EXPERIENCE](#)

Best

Greg

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