



Exit Planning:
***Understanding the Considerations
and Steps for Exiting a Business***

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and Steps for Exiting a Business***

INTRODUCTION

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Exit Planning: Considerations & Steps

UNDERSTANDING THE NEED FOR EXIT PLANNING

- **There are nearly 12 million baby-boomer-owned businesses and 70% will be retiring over the next couple decades**
- **Many business owners held off on selling due to the weakened economy; however with economic improvement, business values have rebounded and owners are looking to sell**



Exit Planning: Considerations & Steps

UNDERSTANDING THE NEED FOR EXIT PLANNING

- **Why the hype?**
 - *One of today’s “hottest” topics*
 - *Driven by a massive repackaging effort*
 - *Marketed broadly, and intensely*



Exit Planning: Considerations & Steps

UNDERSTANDING THE NEED FOR EXIT PLANNING

- Not really a “new” specialty
- Integrates many complex disciplines including legal, economics, accounting, wealth management, etc.
- Wishes and desires of the business owner and the facts and circumstances surrounding the business

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Exit Planning: Considerations & Steps

UNDERSTANDING THE NEED FOR EXIT PLANNING

- Goals and circumstances of the business owner and the business need to be considered
 - *Set the mission statement for the exit strategy*
 - *Many different motivations for disposition of business*
 - *Must take into account health of owner, owner’s other assets, and costs of maintaining desired lifestyle in the future*

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Exit Planning: Considerations & Steps

UNDERSTANDING THE NEED FOR EXIT PLANNING

- **Developing Objectives of the Plan and Considerations for Exit**
- **Understanding the Various Options for Exiting a Business**
- **The Exit Process: Identification of Steps and Who to Involve**
- **A Brief Illustration of Exit Planning**
- **Conclusion and Practical Observations**



Exit Planning: Understanding the Considerations and Steps for Exiting a Business

DEVELOPING THE PLAN OBJECTIVES & CONSIDERATIONS FOR THE EXIT



Exit Planning: Considerations & Steps

DEVELOPING OBJECTIVES AND CONSIDERATIONS

- **The Mission**

- *Inextricably tied to business owner's desires and wishes*
- *Provides the foundation from which the advisory team "builds" the exit plan*
- *Overall goal, of course, is to meet those objectives*



Exit Planning: Considerations & Steps

DEVELOPING OBJECTIVES AND CONSIDERATIONS

- **The Mission**

- *Depth of the advisor effort is driven by the overriding mission statement created by the business owner*
- *Initially, this mission statement is the business owner's alone*
- *Later, it will evolve with advisor input*



Exit Planning: Considerations & Steps

DEVELOPING OBJECTIVES AND CONSIDERATIONS

- **The Mission**

- *If outright sale of the business is first priority, focus will remain at that level*
- *Junior generation family transfers require more personal info*
- *Similar efforts may be required for philanthropic transfers*



Exit Planning: Considerations & Steps

DEVELOPING OBJECTIVES AND CONSIDERATIONS

- **Importance of understanding the implications of integrating personal information into the exit planning process**

- *Excepting an outright sale, planning for gifting strategies as well as charitable transfers must incorporate consideration of a great deal of personal information*



Exit Planning: Considerations & Steps

DEVELOPING OBJECTIVES AND CONSIDERATIONS

- **Exit Planning Team**
 - *Attorneys (Corporate, Estate, Asset Protection)*
 - *Accountants*
 - *Others: Valuators, Wealth Advisors, Financial Planners, etc.*



Exit Planning: Considerations & Steps

DEVELOPING OBJECTIVES AND CONSIDERATIONS

- **Exit Planning Team Leader**
 - *Depends upon who has the closest relationship and initiated the process*
 - *A team leader is critical in every case to keep the process in check and to avoid duplication of effort*



Exit Planning: Considerations & Steps

DEVELOPING OBJECTIVES AND CONSIDERATIONS

- **Sale of the Business**

- *Exit planning with respect to an outright sale of the business often depends on the “current” status of the sale process*
- *If a sale is imminent, as with a current suitor, focus will turn to elements of a sale that are critical to optimizing business owner “net” cash proceeds*



Exit Planning: Considerations & Steps

DEVELOPING OBJECTIVES AND CONSIDERATIONS

- **Sale of the Business – General Planning**

- *Deal structure, asset v. stock or equity*
- *Terms of consideration, current/deferred*
- *Seller financing, risk return*
- *Timing of business owner exit*



Exit Planning: Considerations & Steps

DEVELOPING OBJECTIVES AND CONSIDERATIONS

- **Sale of the Business**

- *If a sale is not currently in play, focus in the exit planning process turns to “preparation” for the sale*
- *Key is time, and the earlier the business owners decides to undertake this course of action, the better*



Exit Planning: Considerations & Steps

DEVELOPING OBJECTIVES AND CONSIDERATIONS

- **Sale of the Business – Timing**

- *Not unusual, with “post sale” employment agreements, for the entire process – from the decision to prepare the business for sale to that point when the employment arrangement concludes – to take up to three or four years*
- *Starting the sale preparation process early is critical*



Exit Planning: Considerations & Steps

DEVELOPING OBJECTIVES AND CONSIDERATIONS

- **Sale of the Business – Preparation**

- *Very often, the most time consuming element of the process*
- *The preparation process requires identification of areas needing improvement, taking steps to facilitate improvement and holding the company long enough to establish a history of improvement*



Exit Planning: Considerations & Steps

DEVELOPING OBJECTIVES AND CONSIDERATIONS

- **Sale of the Business – Valuation**

- *Valuation of the business lies at the heart of the exit planning process and is important to all aspects of that process*



Exit Planning: Considerations & Steps

DEVELOPING OBJECTIVES AND CONSIDERATIONS

- **Sale of the Business – Preparation**
 - *Requires identification of value drivers*
 - *Builds on basic valuation theory*
 - Future cash flow/risk = value



Exit Planning: Considerations & Steps

DEVELOPING OBJECTIVES AND CONSIDERATIONS

- **Sale of the Business – Pre-Sale Valuation Calculation**

<i>Future expected cash flows</i>	<i>\$ 20,000</i>
<i>Investment risk rate (discount rate)</i>	<i><u>.20</u></i>
<i>Estimated value</i>	<i>\$100,000</i>



Exit Planning: Considerations & Steps

DEVELOPING OBJECTIVES AND CONSIDERATIONS

- **Sale of the Business – Preparation**

- *Value increase can come from two key elements*

- Increasing future cash flows
- Decreasing company risk attendant to those cash flows



Exit Planning: Considerations & Steps

DEVELOPING OBJECTIVES AND CONSIDERATIONS

- **Sale of the Business – Preparation**

- *Value increases from increasing cash flows*

- Growth in revenue
 - Expanding products
 - Expanding geographic reach



Exit Planning: Considerations & Steps

DEVELOPING OBJECTIVES AND CONSIDERATIONS

- **Sale of the Business – Preparation**

- *Value increases from increasing cash flows*

- Decreasing expenses
 - Improving margins through efficiencies
 - Adopting S, G & A cost containment strategies



Exit Planning: Considerations & Steps

DEVELOPING OBJECTIVES AND CONSIDERATIONS

- **Sale of the Business – Preparation**

- *Value increases from decreasing investment risk*

- Identify risk and quantify that risk
- Take steps to mitigate the risk
- Ex. might include key man, customer concentration



Exit Planning: Considerations & Steps

DEVELOPING OBJECTIVES AND CONSIDERATIONS

- **Sale of the Business – Pre-Sale Valuation Calculation**
(after preparation for sale)

Future expected cash flows \$ 25,000

Investment risk rate (discount rate) .18

Estimated value \$138,888



Exit Planning: Considerations & Steps

DEVELOPING OBJECTIVES AND CONSIDERATIONS

- **Sale of the Business – Timing**
 - *Starting the preparation for a business sale can, and should be seen as a long term effort*
 - *Starting that process early is critical to the owner being able to step away at his or her desired date of departure*



Exit Planning: Considerations & Steps

DEVELOPING OBJECTIVES AND CONSIDERATIONS

- **Sale of the Business – Post-preparation**
 - *Requires, at a minimum, corporate attorney, tax accountant, valuator and an investment banker*
 - *This team will work to identify, and qualify a pool of interested buyers to work towards the most lucrative terms for the business owner*



Exit Planning: Considerations & Steps

DEVELOPING OBJECTIVES AND CONSIDERATIONS

- **Sale of the Business – Post-preparation**
 - *At that point where the pool of interested buyers is narrowed to the best candidate, the process is the same as that noted earlier*



Exit Planning: Considerations & Steps

DEVELOPING OBJECTIVES AND CONSIDERATIONS

- **Transfer to Family Members or Employees**

– *If the goal is to transfer the business for little or no monetary consideration, focus must turn to the business owner's future needs:*

- Future expected expenses and costs to live
- Current and future assets and income streams



Exit Planning: Considerations & Steps

DEVELOPING OBJECTIVES AND CONSIDERATIONS

- **Transfer to Family Members**

– *Methodologies*

- Gifts, annual or lump
- Family sale



Exit Planning: Considerations & Steps

DEVELOPING OBJECTIVES AND CONSIDERATIONS

- **Transfer to Family Members**
 - *Sample planning issues*
 - Valuation
 - Additional “non-active” children
 - Qualifications of “active” children



Exit Planning: Considerations & Steps

DEVELOPING OBJECTIVES AND CONSIDERATIONS

- **Transfer to Employees**
 - *Methodologies*
 - Gifting (not common)
 - In exchange for personal services
 - Sale to an employee or employee group or ESOP



Exit Planning: Considerations & Steps

DEVELOPING OBJECTIVES AND CONSIDERATIONS

▪ **Transfer to Employees**

– *Sample planning issues*

- Valuation
- Funding employee tax liabilities on non cash compensation
- Ability of employee group to fund the acquisition



Exit Planning: Considerations & Steps

DEVELOPING OBJECTIVES AND CONSIDERATIONS

▪ **Philanthropic Transfers**

– *Methodologies*

- Transfer of equity to a charity pre-sale
- Contributing portion of “net” proceeds to charity
 - Various trust structures available



Exit Planning: Considerations & Steps

DEVELOPING OBJECTIVES AND CONSIDERATIONS

- **Philanthropic Transfers**

- *Sample planning issues*

- Valuation
- Lack of monetary consideration
- Potential ongoing compliance issues



Exit Planning: Understanding the Considerations and Steps for Exiting a Business

UNDERSTANDING THE VARIOUS OPTIONS FOR EXITING A BUSINESS



Exit Planning: Considerations & Steps

UNDERSTANDING THE VARIOUS OPTIONS

- **Process of vetting through each alternative**
- **Compare advantages and disadvantages under each option**



Exit Planning: Considerations & Steps

UNDERSTANDING THE VARIOUS OPTIONS

- **Sale of a Business – Basics**
 - *Structuring the transaction*
 - Taxable versus nontaxable
 - Asset sales and stock (equity) sales
 - Deferral of proceeds



Exit Planning: Considerations & Steps

UNDERSTANDING THE VARIOUS OPTIONS

- **Internal Buyer Options for Business Owner**
 - *Sale or transfer to family members*
 - Most important question is whether those that have been involved in the business are qualified to take over
 - Determine purchase price paid to senior generation
 - Consider tax consequences



Exit Planning: Considerations & Steps

UNDERSTANDING THE VARIOUS OPTIONS

- **Internal Buyer Options for Business Owner**
 - *Sale or transfer to family members*
 - Advantages of this type of sale includes continued involvement of business owner, ensuring business success, and maintain steady relationships with employees, customers and vendors



Exit Planning: Considerations & Steps

UNDERSTANDING THE VARIOUS OPTIONS

- **Internal Buyer Options for Business Owner**

- *Sale to employees*

- Allows business owner to reward those employees who contributed to the success of the company
- Issue of buyer qualifications and experience is less obtrusive than when selling to family members

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Exit Planning: Considerations & Steps

UNDERSTANDING THE VARIOUS OPTIONS

- **Internal Buyer Options for Business Owner**

- *Sale to employees*

- Employees may likely lack sufficient resources for full cash payment at closing
- Issues with sellers financing
- Tax consequences should be considered

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Exit Planning: Considerations & Steps

UNDERSTANDING THE VARIOUS OPTIONS

- **Internal Buyer Options for Business Owner**
 - *Employee Stock Ownership Plan (ESOP)*
 - ESOP is a type of qualified retirement plan established for the benefit of employees
 - Business owners sell their company shares to an ESOP
 - Transaction can be accomplished in a tax-deferred manner, often with permanent tax deferral and savings

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Exit Planning: Considerations & Steps

UNDERSTANDING THE VARIOUS OPTIONS

- **Internal Buyer Options for Business Owner**
 - *Employee Stock Ownership Plan (ESOP)*
 - Owner can sell either a portion or all of his/her shares
 - Sale must be at “fair market value”
 - Transactions can be leveraged

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Exit Planning: Considerations & Steps

UNDERSTANDING THE VARIOUS OPTIONS

- **Internal Buyer Options for Business Owner**
 - *Employee Stock Ownership Plan (ESOP)*
 - ESOPs involve adherence to rules and regulations on the part of IRS, ERISA and Department of Labor
 - ESOPs also face management succession, financing and risk issues similar to management buyouts

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Exit Planning: Considerations & Steps

UNDERSTANDING THE VARIOUS OPTIONS

- **Internal Buyer Options for Business Owner**
 - *Shareholder Buy-Sell Agreement*
 - Agreement speaks to exit from the business based on certain “triggering events”
 - Contains provisions that determine how an exiting owner’s shares are valued, term of buyout and how it will be funded

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Exit Planning: Considerations & Steps

UNDERSTANDING THE VARIOUS OPTIONS

- **Internal Buyer Options for Business Owner**

- *Partial Sale Transactions*

- Partial sales to family members, employees or ESOPs turn buyout into a more-manageable process
 - Company borrowing capacity
 - Management capability improvement
 - Orderly turnover of control
 - Operational continuity



Exit Planning: Considerations & Steps

UNDERSTANDING THE VARIOUS OPTIONS

- **Internal Buyer Options for Business Owner**

- *Partial Sale Transactions*

- Remaining in control provides opportunities for non-transaction sources of income such as:
 - Compensation and bonuses
 - Qualified plan contributions
 - Rental income



Exit Planning: Considerations & Steps

UNDERSTANDING THE VARIOUS OPTIONS

- **External Buyer Options for Business Owner**
 - *Initial Public Offering (IPO)*
 - Not a viable option for most closely-held businesses
 - Very few IPOs are completed annually in the United States



Exit Planning: Considerations & Steps

UNDERSTANDING THE VARIOUS OPTIONS

- **External Buyer Options for Business Owner**
 - *Third-Party Sale (Strategic Acquisitions)*
 - Option is for owners focused on achieving maximum value and liquidity
 - Can represent shortest timeline to liquidity and departure from the business post-closing
 - Proceeds are higher than those achieved at fair market value



Exit Planning: Considerations & Steps

UNDERSTANDING THE VARIOUS OPTIONS

- **External Buyer Options for Business Owner**
 - *Third-Party Sale (Strategic Acquisitions)*
 - Buyers looking for synergies including:
 - Increases in top line revenue
 - Expense reduction



Exit Planning: Considerations & Steps

UNDERSTANDING THE VARIOUS OPTIONS

- **External Buyer Options for Business Owner**
 - *Third-Party Sale (Strategic Acquisitions)*
 - During the transaction the business can be exposed to:
 - Competitive exposure
 - Breaches of confidentiality
 - Management distraction



Exit Planning: Considerations & Steps

UNDERSTANDING THE VARIOUS OPTIONS

- **External Buyer Options for Business Owner**
 - *Third-Party Sale (Strategic Acquisitions)*
 - Usually accompanied by contingencies and execution of noncompetition agreements for a specified time



Exit Planning: Considerations & Steps

UNDERSTANDING THE VARIOUS OPTIONS

- **External Buyer Options for Business Owner**
 - *Third-Party Sale (Financial Buyer)*
 - Financial buyers and private equity funds acquire minority equity positions in operating companies
 - Balances the business owner's wish for near-term liquidity with desire for participation in future upside of business



Exit Planning: Considerations & Steps

UNDERSTANDING THE VARIOUS OPTIONS

- **External Buyer Options for Business Owner**
 - *Third-Party Sale (Financial Buyer)*
 - Generally rely on use of leverage
 - Credit availability, required investor returns and lack of strategic synergies, may limit the price financial buyers can pay for the business

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Exit Planning: Considerations & Steps

UNDERSTANDING THE VARIOUS OPTIONS

- **External Buyer Options for Business Owner**
 - *Liquidation*
 - Not a common option; used out of necessity
 - Proceeds approximate market value of the company's tangible assets less any debt/liabilities
 - Intangible assets typically do not have value

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Exit Planning: Considerations & Steps

UNDERSTANDING THE VARIOUS OPTIONS

- **External Buyer Options for Business Owner**

- *Maintaining Status Quo*

- Default alternative
- Offers very limited liquidity and wealth diversification
- Owner continues to stay the course, risking wealth by betting on favorable future operating results



Exit Planning: Understanding the Considerations and Steps for Exiting a Business

EXIT PROCESS: UNDERSTANDING THE STEPS & WHO SHOULD BE INVOLVED



Exit Planning: Considerations & Steps

EXIT PROCESS: IDENTIFICATION OF STEPS

- **General phases of exit planning process**
 - *Business owner meetings/interviews/discussions*
 - *Information gathering and document collection*
 - *Analysis and assessment of background information*
 - *Team communication to develop strategic recommendations*



Exit Planning: Considerations & Steps

EXIT PROCESS: IDENTIFICATION OF STEPS

- **General phases of exit planning process**
 - *Preparation of required analysis to confirm recommendations*
 - *Team communication to finalize recommendations*
 - *Presentation of exit planning recommendations*
 - *Implementation*
 - *Follow-up and evaluation of exit plan*



Exit Planning: Considerations & Steps

EXIT PROCESS: IDENTIFICATION OF STEPS

- **Business Owner Meetings/Interviews/Discussions**
 - *Typically one trusted advisor of the business owner becomes the “quarterback” of the process*
 - *Members of the exit planning team generally include: accountant, corporate and estate planning attorneys, business valuator and wealth manager*



Exit Planning: Considerations & Steps

EXIT PROCESS: IDENTIFICATION OF STEPS

- **Business Owner Meetings/Interviews/Discussions**
 - *Meetings are critical to identifying wishes and objectives of the business owner and spouse*
 - *Objectives set at this point in time are fluid*



Exit Planning: Considerations & Steps

EXIT PROCESS: IDENTIFICATION OF STEPS

- **Information Gathering and Document Collection**
 - *Provide business owner with detailed information and document requests*
 - *Completion of questionnaire*



Exit Planning: Considerations & Steps

EXIT PROCESS: IDENTIFICATION OF STEPS

- **Information Gathering and Document Collection**
 - *Refinement of goals and objectives*
 - Personal
 - Business
 - Financial



Exit Planning: Considerations & Steps

EXIT PROCESS: IDENTIFICATION OF STEPS

- **Information Gathering and Document Collection**
 - *Goals and objectives should be*
 - Measurable,
 - Aspirational,
 - Realistic/achievable, and
 - Motivational



Exit Planning: Considerations & Steps

EXIT PROCESS: IDENTIFICATION OF STEPS

- **Analysis and Assessment of Background Information**
 - *Incorporates all members of the advisor team*
 - *Analysis incorporates both qualitative and quantitative assessment*
 - *A business valuation is typically conducted during this step*



Exit Planning: Considerations & Steps

EXIT PROCESS: IDENTIFICATION OF STEPS

- **Analysis and Assessment of Background Information**
 - *Preparation of Business Valuation*
 - Purpose
 - Standard of value
 - Premise of value
 - Date of valuation



Exit Planning: Considerations & Steps

EXIT PROCESS: IDENTIFICATION OF STEPS

- **Analysis and Assessment of Background Information**
 - *Preparation of Business Valuation*
 - Subject of valuation
 - Valuation approaches and methodologies
 - Levels of value
 - Valuation synthesis



Exit Planning: Considerations & Steps

EXIT PROCESS: IDENTIFICATION OF STEPS

- **Team Communication to Develop Probable Strategic Recommendations**
 - *Ensuring all work and procedures are not being duplicated*
 - *May run into barriers due to technical and financial limitations*
 - *Business owner's goals and objectives may require further refinement*



Exit Planning: Considerations & Steps

EXIT PROCESS: IDENTIFICATION OF STEPS

- **Preparation of the Required Analysis to Confirm Recommendations**
 - *Tax calculations*
 - *Prepare full business valuation if a calculation of value was performed earlier*
 - *Adjust and verify future income streams*
 - *Draft legal documents*



Exit Planning: Considerations & Steps

EXIT PROCESS: IDENTIFICATION OF STEPS

- **Team Communication to Finalize Recommendations**
 - *Goal of this step is to have a solid plan with applicable action steps required of each member of the team*
 - *Provide business owner with a “roadmap”*



Exit Planning: Considerations & Steps

EXIT PROCESS: IDENTIFICATION OF STEPS

- **Presentation of Exit Planning Recommendations**
 - *This step ensures total accord among the business owner and the recommendations of the advisor team*



Exit Planning: Considerations & Steps

EXIT PROCESS: IDENTIFICATION OF STEPS

- **Implementation**
 - *Perhaps most important step in the process*
 - *Time period for full implementation of an exit plan will vary widely*
 - *Key element to implementation is control over the process*



Exit Planning: Considerations & Steps

EXIT PROCESS: IDENTIFICATION OF STEPS

- **Follow-up and Exit Plan Evaluation**
 - *Evaluation permanently documented in a formal communication to the business owner*
 - *Allows for total closure of the process and brings all planning full circle*



***Exit Planning:
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and Steps for Exiting a Business***

A BRIEF ILLUSTRATION
OF EXIT PLANNING

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Exit Planning: Considerations & Steps

CASE STUDIES: BUSINESS OWNER EXITS

The following is not intended to address everything that has been discussed today but, rather, to provide participants with a flavor of real transactions with which that Grossman Yanak & Ford LLP has been involved in partnership with members of the legal community

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Exit Planning: Considerations & Steps

CASE STUDIES: BUSINESS OWNER EXITS

- **Commonalities of fact patterns**
 - *All clients were business owners*
 - *All companies were operating businesses with history*
 - *All owners were over the age of 60 and were interested in divesting themselves of the business*



Exit Planning: Considerations & Steps

CASE STUDIES: BUSINESS OWNER EXITS

- **Case Study One**
 - *Manufacturing company north of Pittsburgh*
 - *Owner was 70 years old and had a desire to transfer the business to key employees*
 - *Employees could not afford to buy the business and had little cash or borrowing capacity*



Exit Planning: Considerations & Steps

CASE STUDIES: BUSINESS OWNER EXITS

- **Case Study One – Considerations**
 - *Tried to pare some value back, lowering consideration need from employees through stock grants*
 - *Gave 20% to employee group in exchange for personal services*
 - *Sold the balance to the employees two years later*



Exit Planning: Considerations & Steps

CASE STUDIES: BUSINESS OWNER EXITS

- **Case Study One – Considerations**
 - *Two-year timeframe allowed for accumulation of cash used by the company to retire a substantial portion of the shares*
 - *Took seller financing for the other portion*



Exit Planning: Considerations & Steps

CASE STUDIES: BUSINESS OWNER EXITS

- **Case Study Two**
 - *Washington County Distributorship*
 - *Father owned 90%, and son owned 10%*
 - *Sought to transfer equity to son as cost efficiently as possible*



Exit Planning: Considerations & Steps

CASE STUDIES: BUSINESS OWNER EXITS

- **Case Study Two – Considerations**
 - *Father had sufficient assets and means*
 - *Father had second child who he wished to equalize*
 - *Father's other assets were insufficient to accomplish the equalization*



Exit Planning: Considerations & Steps

CASE STUDIES: BUSINESS OWNER EXITS

- **Case Study Two – Considerations**
 - *Father entered gifting program over five years to transfer 60% to son*
 - *Father retained 30%, which would flow to daughter at his death*
 - *Son would have right to “purchase” daughter’s shares*

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Exit Planning: Considerations & Steps

CASE STUDIES: BUSINESS OWNER EXITS

- **Case Study Three**
 - *Business owner had charitable inclinations*
 - *Desired to give most of the value of his business away*
 - *Wanted four children to each receive \$1M; balance, or approximately \$20 M, to go to charity*

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Exit Planning: Considerations & Steps

CASE STUDIES: BUSINESS OWNER EXITS

- **Case Study Three – Considerations**
 - *Business owner used a charitable foundation, as well as a charitable remainder trust, retaining a lifetime income interest in the assets adequate to fund his modest lifestyle*
 - *Balance of equity transferred to children via a gifting program*



Exit Planning: Considerations & Steps

CASE STUDIES: BUSINESS OWNER EXITS

- **Case Study Three – Considerations**
 - *Valuation implications, especially those relating to valuation discounts for lack of control and lack of marketability played an important part in the planning in this case*



***Exit Planning:
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CONCLUSION AND
PRACTICAL OBSERVATIONS

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Exit Planning: Considerations & Steps

CONCLUSION AND PRACTICAL OBSERVATIONS

- Exit Planning poses a number of difficult challenges
- Requires an integrated service approach from an integrated group of professionals from various disciplines
- Requires a planning process that constantly focuses on the goals and objectives of the business owner

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Exit Planning: Considerations & Steps

CONCLUSION AND PRACTICAL OBSERVATIONS

- **Time is critical on three fronts**
 - *Time must be allotted for preparation for an exit transaction*
 - *Earlier planning is far more effective than waiting until the desired exit time*
 - *The time to accomplish the implementation process can be longer than imagined at the front of the process*



Exit Planning: Considerations & Steps

CONCLUSION AND PRACTICAL OBSERVATIONS

- **One last note**
 - *Doing nothing can be extremely harmful for business owners, and can lead to a great diminishment of business value and business owner wealth*



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THANK YOU FOR ATTENDING!