

Maximising Wealth: Essential Questions For A Successful Business Exit



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Kerry Boulton is Australia's most respected Exit Strategy Advisor and CEO of the Exit Strategy Group. Welcome to this week's segment.

KERRY BOULTON: Here's a checklist of questions that are really important for you to ask yourself, they're going to really set you on the path to maximizing your personal wealth through business and creating a life full of choices after you exit.

Number one, *how much longer do you want to be actively involved in the business? When do you want to exit?* Give yourself at least two years to prepare before putting your business on the market, and make sure you can produce two to three years of tax returns that are accurate and show maximum profitability to get the best price for your business. You can't start putting things together the months before you want to sell. An investment in time to prepare properly will give you the absolute highest returns.

Who's going to be your likely successor if you're not around? A question I love to ask everyone is, is your business you-proof? One of the key value drivers and value killers in any business is what they call key person dependence. If you're the key driver in the business, the sooner that you can replace yourself, the better.

Can you go off, take three months holiday and leave your business? What happens is that if you do that sort of thing? So if a buyer is concerned that a business is too dependent on the owner or a single customer, for that matter, the offer might just simply go elsewhere.

A good business can operate, as I said, when the owner is on holiday and it has good revenue diversification where no one customer represents more than 5% of the business. Maybe you have someone in your current management team who could step into the CEO role. Now, give yourself time to make the transition to get yourself totally out of the business.

So how do you want to exit? Have you thought about whether you want to do that over time, or do you just want to do it in one event? It's a really, really, really important consideration for you personally, because how you'll handle working in the business if you're no longer the primary decision maker is crucial. Sometimes you conceal a deal by agreeing to stay on in a consulting role for a period of, say, six months.

But first you need to determine whether or not it's really worth it to you. If you're willing to stay on that might reduce the risk to the buyer and increase the value of the company. So if you can do it, just take a motion out of that equation, ensure there's a fair outcome for all parties by treating your employees and your family with the same professionalism you would external bias. Giving

yourself time to think about how you actually do want to exit and being able to negotiate that is really important.

If you don't have a copy of Kerry's new book, ***The Uncensored Truth About Exit Strategy***, please visit <https://freeexitstrategybook.com.au/>