

Plan Your Exit Strategy From Day One: Maximise Your Business Value

Business Blueprint Interview



TheExitStrategyGroup.com.au/Media

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

DALE BEAUMONT: Alright, let's now talk about, when should a business owner start thinking about selling their business, and what type of runway do they give themselves? Do they give themselves three months, six months, twelve months? What time frame?

KERRY BOULTON: Well, the best time was when they first started the business. But of course, we're well down the track from all of that.

DALE BEAUMONT: So that's when you, so when you actually are writing your original business plan, when you're setting it up to the beginning, you're going to know when your exit plan is, because a lot of people starting to have no idea how it's going to end.

KERRY BOULTON: Correct.

DALE BEAUMONT: So that's the biggest first tip there.

KERRY BOULTON: Correct.

DALE BEAUMONT: So do you want to repeat that, just so everyone's got that message.

KERRY BOULTON: Absolutely, when you first start your business, think about what you might want to do in terms of timing and strategy to get out of the business, what that might be, so that you can set your business up to reach that goal, just as I did with the freight business. That was exactly the plan.

So thinking about, it's more a case of thinking about it and giving the time, giving yourself time to actually put in place what you need to do. As an example, you might decide that you want to sell to a strategic...

DALE BEAUMONT: Buyer.

KERRY BOULTON: ... buyer, and you don't quite know who that buyer might be, but you have a range of potential buyers, so you make sure that you can position your business to be attractive to those companies that actually could see your business as fitting strategically with them, and therefore have it worth a heck of a lot more than it would be if you were just to sell it for a multiple say, for instance, of the bottom line.

DALE BEAUMONT: No, they know that's the really important things that you're talking about, what's a strategic buy versus normal?

KERRY BOULTON: Yeah.

DALE BEAUMONT: We'll cover that later...

KERRY BOULTON: Sure.

DALE BEAUMONT: ... in the interview. So ideally, you want to know this, know your plan from the very, very start...

KERRY BOULTON: Yes.

DALE BEAUMONT: ... when you're getting into the business, but if not any, as soon as possible. Really?

KERRY BOULTON: The sooner the better.

DALE BEAUMONT: The sooner the better.

KERRY BOULTON: Yeah, absolutely.

DALE BEAUMONT: Because, we need to know what is that end game?

KERRY BOULTON: Correct.

DALE BEAUMONT: So you could give yourself a 3-year runway or 5-year runway, or maybe a 10-year runway, depending on your time frames.

KERRY BOULTON: Correct, correct.

DALE BEAUMONT: It's not something you do at the end, right? Something that you do along the way.

KERRY BOULTON: If you want to maximize the most for your business, absolutely give yourself at least two to five years if you can do that. And if you're always running your business as if you're going to sell it, then if something comes along that causes you to change plans for whatever reason, at least you're in a position where you know that you'll be able to get out of it and get something back.

DALE BEAUMONT: Okay, fantastic.

KERRY BOULTON: Contingency planning is another word for that.

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