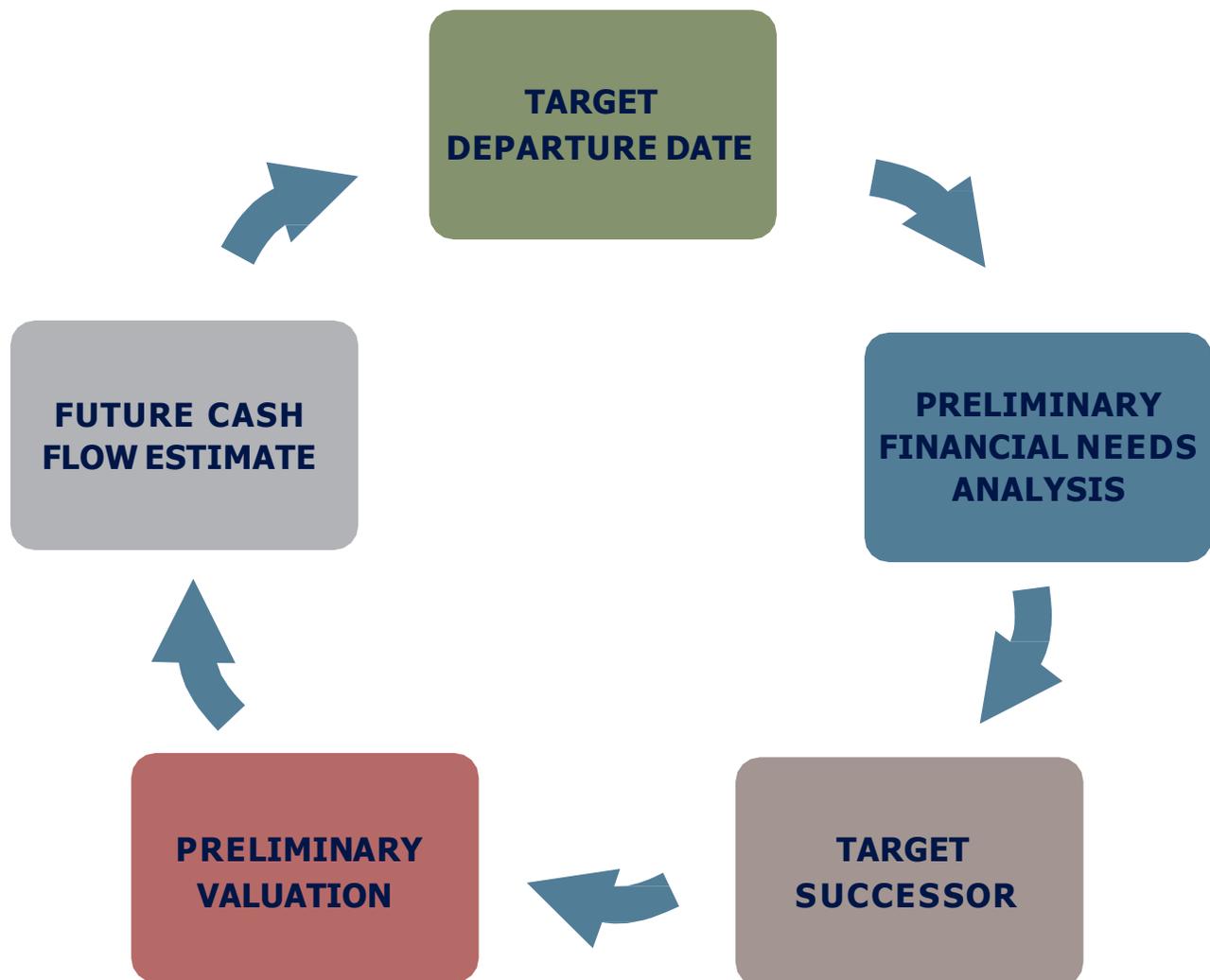


Five Critical Elements of a Successful Exit Plan



GLOBAL
WEALTH ADVISORS

Five Critical Elements

■ TARGET DEPARTURE DATE

You simply cannot create a road map for your successful exit without a stated departure date. We suggest that you set that date by asking yourself questions designed to help you establish a time frame for your departure. You can design your own departure in terms of when it occurs and how your involvement with the business changes and evolves. If you cannot visualize a future that is different from today, this is likely your starting point. Without a definition of what “departure” means to you, your Exit Planning will lack traction.

■ PRELIMINARY FINANCIAL NEEDS ANALYSIS

Any comprehensive Exit Plan requires a preliminary Financial Needs Analysis. This analysis will help you to set and assess your financial wants and needs. The Financial Needs Analysis is not a financial plan. It simply tells you how much money you must receive from the transfer of the business in order to achieve financial security and independence. It is a result of a thoughtful review of your lifestyle, changing financial needs, non-business income streams and other factors. This element does require the assistance of a qualified professional.

■ TARGET SUCCESSOR

It's your business and most business owners expect to control who will take on the ownership interest in the future. Your Exit Plan should reflect your successor owner preferences, whether you prefer that your ownership transfers to a family member, co-owner, one or more employees or an unrelated third-party buyer. Each target successor requires a different approach to Exit Planning. Identifying a successor owner sets you on a path for planning and preparation to accomplish all of your objectives.

■ PRELIMINARY VALUATION

A preliminary business valuation, prepared by an appropriate professional, gives you and your Exit Planning team a reliable idea of how your business will contribute to your financial goals. Once you have a sense of what your business is worth, you can work toward Exit Planning solutions that allow you to receive full value for the business. Don't worry if the value of the business does not support the value you require based on your Financial Needs Analysis – that will just mean that your Exit Plan will emphasize value building as part of the comprehensive solutions and strategies.

■ FUTURE CASH FLOW ESTIMATE

Cash flow drives your current income as a business owner. It will also fuel your continued ownership and your ultimate departure. A professionally prepared cash flow projection helps you and your advisors evaluate the likelihood of success of various exit paths. It can also prevent the Exit Plan from taking a wrong turn and establishes the financial structure on which you build your Exit Plan.