

What Is Your Exit Strategy?

Nobody likes to think of the end of their business when they're at the beginning, just like people rarely want to talk about the end of their life when they're young. But an exit strategy is more than just a life insurance plan for your business. An exit strategy is creating a plan for you to be able to recoup, not only the time and money that you have invested in your business, but also the gains that you have earned. Consider your exit strategy your reward for building a successful business.

There are many types of exit strategies, but the most successful strategy will always be the one that works best for you and your goals.

Types of Exit Strategies

- Liquidation: Liquidation is when you sell off all of your business's assets and keep all of the money you make after paying off any loans or monies that you owe. This could work for you if your business has a lot of high value assets, but this type of exit strategy also means the dissolution of your business all-together. If you have any sentimental attachment, this may be harder than it seems. Unless your business is asset based this strategy also has a lower profit margin. Think "Going Out of Business" Sale—That's the equivalent of liquidation.
- Passing the business to a family member: It's a common theme among business owners, if you have children or nieces and nephews who share an interest in your company, you may wish to pass your business on to them. This allows you a "legacy" and, while you don't have to commit the time of a full-time business owner, you may still be able to have some say in the direction of the company. The downside to this is that passing down a company to family members can be highly emotional, particularly if there are multiple new owners and they don't feel the separation of the assets is fair. Be careful mixing family and business.
- Sell the business in an open market: This is, probably, the most popular exit strategy. You make it known that you are looking to sell and you see who comes around to buy. It is always a good idea to have a professional valuation done on your business before considering any kind of exit strategy, but particularly when you are selling to an unknown buyer. You need to make sure that you are aware of exactly what your business is worth. If you know this before you even decide to sell you'll be able to make those quick buy/sell negotiations and may walk away with more than you were planning to ask.

These are just a few options on exit strategies, but it's important to mention here that whichever exit strategy you choose, that you have an idea of what you are going to do with your time. An exit strategy equals more than just money. Upon completion of a successful exit, a whole world of opportunities is opened to you. Do you want to take an extended vacation and see the world? Do you want to open a different business; do you want to spend more time with your family?

Anything you want to do with your time and your money after completing your exit strategy should make exiting your business a cathartic and opportunity filled experience. Having an exit strategy is not about envisioning the end of your business, but about ensuring that you have a vast array of opportunities, once you're ready to move on.

[United Health Care Capital](#) can assist you with any of these goals. [Contact us](#) today and let us help you get started with your exit strategy plans.

David Keene
CEO
United Health Care Capital
www.unitedhealthcarecapital.com
david.keene@unitedhealthcarecapital.com
770-823-3984

