

TRANSITION PLANNING CHECKLIST

JULIE KEYES CEPA *Value Acceleration Strategist and Exit Planning Advisor* **WEB** www.keyestrategies.com

NAME _____ COMPANY _____

PHONE _____ EMAIL _____

WEBSITE _____ TYPE OF BUSINESS _____

YEARS IN BUSINESS _____ # OF EMPLOYEES _____ GROSS ANNUAL REVENUE _____

TEAM OF ADVISERS

Have you assembled a team of advisers, with whom you can discuss your transition options?

Please identify below all advisers you already have in place:

- Business/ M & A Attorney
Name _____
- Estate Planning Attorney
Name _____
- Certified Public Accountant (CPA)
Name _____
- Wealth Manager
Name _____
- Exit Planner
Name _____
- Business Consultant or Coach
Name _____
- Banker
Name _____
- Other
Name _____

Is each educated and practised in Transition and Succession planning? ____ Yes ____ No

Does the team meet quarterly on a specific Transition agenda, to ensure all perspectives and expertise are shared and all bases covered?
____ Yes ____ No

STRATEGIC PLAN

Do you have a Strategic Plan? ____ Yes ____ No

- If you don't yet have one, create a Strategic Plan with the help of a business consultant/ coach who understands Exit Strategy well.
- Implement new strategies for growth and improvement to the business.

FINANCIALS

- Create as much 'curb appeal' as possible, but also ensure that your internal processes and documentation are accurate and in order, namely your financials. "True" them up now with the help of a good CFO. The look-back period from a potential buyer is typically 3 years.
- Don't use your business as an ATM.
- Discuss with your wealth manager whether to diversify your equity before the sale.
- Make sure your business is the proper tax entity well before the liquidity event.
- Have preliminary conversations with your CPA and Tax lawyer regarding how to save on taxes before and after the sale.

EMPLOYEES & CULTURE

- Discuss key person employee retention programs with your wealth manager and M & A attorney.
- Implement these plans. The value of your key people to a potential buyer is higher than you think. You can't afford to lose them.
- Focus on growing the culture of your business and increasing employee engagement.
- Implement best practices in HR (recognition, compensation, onboarding, and regular reviews.)

INFORMATION TECHNOLOGY

- Hire an IT professional to run diagnostic exams on all programs, hardware, software, and safety protections. Ensure that all licenses are up-to-date.

INSURANCE

- Have all of your policies analyzed to ensure that you have appropriate and adequate coverage to meet your needs, including: Key person insurance, disaster insurance and cyber security insurance.

MARKETING

- Update your marketing plan.
- Revise your website with your newly-refreshed brand and brand messaging.
- Implement a digital marketing plan with measurable ROI.
- Initiate and maintain a blog to drive online traffic and support healthy SEO (search engine optimization.)
- Raise your "Net Promoter Score."

BRAND & IP

- Update and document all internal processes, trade secrets and other Intellectual Property
- Utilize the services of an IP attorney to register or update trademarks, patents and copyrights
- Focus on brand development with the help of a brand/ marketing expert
- Promote the brand; it should be one of your most important assets and goes far beyond your "reputation" in the marketplace.

SUCCESSORSHIP

If you DO have an Internal Successor:

- Begin with hiring a consultant to do assessments measuring leadership and business acumen.
- Have candid conversations about goals, desires and expectations.
- Be very clear on what your new role will be and ensure that everyone in the company knows about it.
- Make sure that terms of financing the deal are planned and agreed upon far in advance, with agreements in writing.
- Visit with your banker well ahead of time, so that you understand what's allowed and not allowed in financing a deal.

If you DO NOT have an Internal Successor:

- Obtain recommendations and meet with 2 or 3 Investment Bankers or Business Brokers (which one will depend upon the size of your business.)
- Establish a relationship now, so they know you and your business well when the time comes to put it on the market. Request a Basic Valuation or range of value, to determine if there's a gap between what you need and the current business' likely value.
- Meet with your business attorney at least annually to update him or her on your plans. Determine whether there are there any steps needed to de-risk the business from a legal standpoint, well in advance.

NEXT ACT PLANNING

Start working on a plan for your Next Act. You still have a lot of life to live, so plan it out so you can maintain your sense of relevance and productivity.

Begin by answering these questions:

- Do you have enough money to retire?
____ Yes ____ No
- Do you WANT to retire?
____ Yes ____ No
- Is there another business in your future?
____ Yes ____ No
- How will you spend your time after you retire?

This is NOT an all-inclusive checklist nor a thorough guide to exit planning.

For more information and expertise:

JULIE KEYES CEPA
Value Acceleration Strategist
and Exit Planning Advisor

PHONE (763) 350.5563

EMAIL julie@keyestrategies.com

WEB www.keyestrategies.com

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