

FREEDOM

10 KEY STEPS

FOR YOUR PERFECT EXIT

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TIME

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FREEDOM FAMILY OFFICE

- Multi-Family Office
- Helping business owners navigate all aspects of their entrepreneurial journey: Ownership... Exit... Post-Exit...
- Create your Ideal Life - Personal and Financial
- Built by entrepreneurs for entrepreneurs

Your Freedom Journey



FREEDOM EXIT PLANNING SERIES

- 10 Critical Questions to Answer Before You Exit
- **10 KEY STEPS FOR A PERFECT EXIT**
- Top 10 Mistakes After Your 8-Figure Exit

** Please visit [URL] for the material on the webinars
above.

THE (ALL TOO) COMMON PATTERN

"I'll never sell my business."

"I just can't do this anymore!"

Only 20-30% of businesses that sign an LOI ever close the sale.

*The key to success is the 5 P's: **Proper Preparation Prevents Poor Performance.** Think at least 1 year to prepare.*

10 KEY QUESTIONS BEFORE YOU EXIT

1. Right price?

2. Right time?

3. Right amount?

4. Right buyer?

5. What's next?

6. What do I need?

7. What can I keep (taxes)?

8. What will I spend?

9. What's my bottom price?

10. Who will help me?

1

Assemble Your Team

Have all your specialists lined up in advance:

- Valuation Expert
- Broker or Investment Banker
- CPA and Tax Strategist
- Attorney
- Personal Financial Advisor

Your Freedom Exit Planning Team



2

Don't negotiate the sale yourself.

"Only a fool would hire himself/herself as his/her attorney."

- Don't let pride or cost cutting get in the way of getting independent advice
- You need to save all your time and energy for the big decisions, so avoid getting mired in the minutiae.

3

Don't negotiate the contracts with your advisors yourself.

Have someone who sits on your side of the table help you with all of these:

- Valuation contract
- Broker/Investment Banker Contract
- Attorney Contract
- CPA and Tax Strategist Contract

4

Make sure your Fire Drill is in place.

The sale will occupy significant portions of your time.

- You should have a Company Fire Drill.
- You should have a Family Fire Drill

FIRE DRILL

For the Death or Disability of Business Owner(s)

Part of being rich beyond money is knowing that if something happened to you, your family and your business would be able to support themselves. Please answer the following questions and decide if you need to spend any attention filling gaps that may exist in your current planning.

- | | | Could Use Assistance |
|--|--|--------------------------|
| 1. Can Someone else access your cell phone and computer? | <input type="radio"/> YES <input type="radio"/> NO | <input type="checkbox"/> |
| 2. Does someone know where and how to access all your assets? | <input type="radio"/> YES <input type="radio"/> NO | <input type="checkbox"/> |
| 3. Can someone locate all your passwords? | <input type="radio"/> YES <input type="radio"/> NO | <input type="checkbox"/> |
| 4. Do you have a "springing" Power of Attorney? | <input type="radio"/> YES <input type="radio"/> NO | <input type="checkbox"/> |
| 5. Do you have a Health Care Proxy? | <input type="radio"/> YES <input type="radio"/> NO | <input type="checkbox"/> |
| 6. Do you have a Health Care directive ("the pull the plug") or not? | <input type="radio"/> YES <input type="radio"/> NO | <input type="checkbox"/> |
| 7. Does your Will reflect your current thoughts for what should happen? | <input type="radio"/> YES <input type="radio"/> NO | <input type="checkbox"/> |
| 8. Would your family have adequate financial resources in the <u>short</u> term? | <input type="radio"/> YES <input type="radio"/> NO | <input type="checkbox"/> |
| 9. Would your family have adequate financial resources in the <u>long</u> term? | <input type="radio"/> YES <input type="radio"/> NO | <input type="checkbox"/> |
| 10. Have you documented your "life story" and what you know that's unique? | <input type="radio"/> YES <input type="radio"/> NO | <input type="checkbox"/> |
| 11. Does the business have adequate cash flow to sustain itself? | <input type="radio"/> YES <input type="radio"/> NO | <input type="checkbox"/> |
| 12. Is there an employee retention plan in place? | <input type="radio"/> YES <input type="radio"/> NO | <input type="checkbox"/> |
| 13. Would your management team agree upon a leader in your absence? | <input type="radio"/> YES <input type="radio"/> NO | <input type="checkbox"/> |
| 14. Would the leader have a written plan to refer to in your absence? | <input type="radio"/> YES <input type="radio"/> NO | <input type="checkbox"/> |
| 15. Is someone aware of your responsibilities and capable of handling them? | <input type="radio"/> YES <input type="radio"/> NO | <input type="checkbox"/> |
| 16. Are there advisors you would want to help stabilize or sell the business? | <input type="radio"/> YES <input type="radio"/> NO | <input type="checkbox"/> |
| 17. Would the new owner (spouse/trust) know what to do with your business? | <input type="radio"/> YES <input type="radio"/> NO | <input type="checkbox"/> |
| 18. Is there a buy-sell plan in place if you have other shareholders? | <input type="radio"/> YES <input type="radio"/> NO | <input type="checkbox"/> |

5

Organize all your financial records in one place.

A super organized business is eminently saleable. A disorganized one is not.

- Secure Data Room.
- Financial Statements, Tax Returns, Key Contracts.
- Every thing you would want to see if you were the Buyer.
- Have one dedicated Keeper of the Kingdom.

6

Maintain Confidentiality

This is key to preventing disruption among employees, suppliers, customers and competitors.

- Make all key parties sign Non-Disclosure Agreements (NDAs)
- Decide which internal parties will be involved and privvy to key information. Exclude all others. This may include your family.
- Coinsider having a special phone number and email for the Sale.

7

Meet with your Key Advisors before you even go to market.

Knowledge is power.

- Valuation Expert: Go over the (mandatory) pre-sale valuation. Be clear on what your business is really worth.
- Attorney: Review a sample Purchase and Sale Agreement, and make sure you understand all the parts, esp. the Reps and Warranties.

7

Meet with your Key Advisors before you even go to market.

- CPA: Review your Balance Sheet, P&L and Tax Returns. Will they raise any issues? What are the answers?
- Broker/Banker: make sure you understand all the possible sale structuring variations: All Cash, Hold Back, Carry On Equity, Employment Contract.

Be clear about what you are willing to accept. The "Peter, My Friend" call.

- Financial Advisor: What's your number?

8

Design and Practise Your Presentation of Your Business.

The 5 P's.

Why it's thriving today. Why it will be even better in 3 years.

- Elevator Speech (3-5 minutes)
- Infomercial (10-15 minutes)
- The Pitch Book (30-60 minutes)
- Don't puff or obscure.
- Think of every weakness and have an answer.

9

Think like the buyer.

Follow the Golden Rule throughout.

- 100% Honesty and Transparency.
- Keep Your Cool.

10

Rest up!

A sale is an arduous process.

- With proper preparation and a cool head, you will succeed.
- GOOD LUCK!

Your Freedom Exit Planning Team



Want to Learn More?

Contact me:

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917-697-4156

Complete our form:

www.TalktoFreedom.com

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Thank you.