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## **Exit Planning for Business Owners**

### *The Ten Deadly Mistakes*

***Part 10: The business is struck by an unforeseeable setback. With no financial plan or exit strategy to guide it, and lacking the crucial support of legal/financial advisors, it flounders. The setback that might have caused only limited damage to the business with early and careful planning could actually end up ruining it.***

In tough economic times such as we're currently experiencing, setbacks of any kind are a serious threat to even a thriving and well-run business. But they should never catch the owner unprepared. Early planning, *including a sound exit strategy*, is the key. The most successful business owners are those who understand – and act upon – the need to look forward from the very beginning of entrepreneurship. Early planning will allow you to:

- weather the unforeseeable set-backs
- be a leader in your industry
- provide for your family's future
- be emotionally ready to leave
- sell for top dollar

This series of "Ten Deadly Mistakes" has emphasized that business owners should be ever-alert to the possible *opportunity* to leave their businesses. This is not to say, however, that an owner should always be a seller. On the contrary, our advice is: Don't be a seller, but always be in a position to sell. Surround yourself with a capable management team that can operate the business as well as you, and experienced advisors knowledgeable about your industry. With a strong support team in place, you should be expendable and able to exit your business so that regular customers/clients will hardly notice a change of

ownership. At that point you can start thinking about either your next business endeavor or a life of retirement.

You can begin putting an exit strategy in place by drawing up an outline of objectives that will become the foundation for a secure future for you and your business. Start by

- setting an exit date (such a date may be uncertain for many and an approximate date of, say, ten years hence could be used) ;
- determining what you and your family will need to maintain your current life-style at the time of the exit date;
- choosing a successor;
- getting help from an experienced exit planner;
- and having your business appraised to learn if it has the value you need to meet your exit objectives.

Use time to your advantage by implementing strategies we've addressed in this series. Only the best-prepared businesses sell for top dollar.

If you have questions about exit planning, please contact us for an initial free consultation to discuss your particular situation.

Call Louis A. Kastelic, MPBC at Jordan-Crandus, P.A. for a free initial consultation. Lou Kastelic is a Master Primary Business Consultant and experienced exit planner.

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