



There Are Two Kinds of Business Owners: those who PLAN to exit...and those who HAVE to exit.

By Michael Stier | FocusCFO

Clint said essentially the same thing... *"In this world there's two kinds of people, my friend: Those with loaded guns and those who dig. You dig."* From the 1966 epic Spaghetti Western, '**The Good, the Bad and the Ugly**'.

In both cases, it's far better to be of the first kind than the second!

Often in life, we wait until a change in circumstances to make a big decision. Exit planning is an example of something so many entrepreneurs put off. In business, our focus is firmly on the here and now decisions: marketing, HR, inventory, cash flow, etc. It doesn't feel like there is the time or the impetus to create an exit strategy, especially if you don't plan to sell soon.

But you can't be complacent about exiting your business. The earlier you establish your exit strategy, the clearer the vision for you and your company becomes. If you don't believe preparing is a priority

for your business right now, **allow me to share 10 reasons why your Exit Strategy should be as important as your Business Plan.**

10 Reasons Why Your Exit Strategy Matters

1. It will change how you guide your company's future
2. You will know how to handle unsolicited offers
3. You will understand your company's value
4. You will know when you intend to sell
5. Your business will become more appealing to buyers
6. It will help you mentally prepare to exit
7. You'll be able to capitalize when there is an active market
8. You'll be prepared for the volumes of paperwork involved in exiting
9. You'll be prepared for potentially intensive negotiations
10. It gives you control for life after this business

It's Never Too Early to Plan Your Exit Strategy

An exit strategy sets the wheels in motion for the journey beyond your business. Planning early gives you greater insights into your company, a plan for the future, and a means to add value between now and the day you decide to depart. Because....there are two kinds of business owners: Those who **are value creators**...and those who **have a lifestyle business**.

Again, it is far better to be in the former group than the latter. Value creators understand that **focusing on VALUE drives all positive outcomes!**

Not convinced yet? Reflect on these alarming statistics¹ in the context that 60-90% of owner wealth is tied up in their business.

- 80% of businesses put on the market DO NOT SELL
- 70% of family businesses DON'T SURVIVE into the 2nd generation
- 50% of owner exits are INVOLUNTARY
- 75% of owners who did exit were PROFOUNDLY UNHAPPY with the outcome 1 year later

Having an exit plan, perhaps most importantly, secures the future you envision for yourself, your family and your business.

In summary.... When it comes time to exit your business.... Do you want to be the one with the loaded guns, or the one who digs?

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Founded in 2001, FocusCFO is the leading onsite fractional CFO services provider in the Midwest and Southeast. FocusCFO works closely with small to medium sized businesses helping business owners gain control over three key financial and operational areas: increasing cash flow, reducing business risk, and creating a platform for scalable growth. This allows business owners to then realize full financial control and increased value in their businesses. For more information, visit us at focuscfo.com or follow us on [LinkedIn](#).

1 – From the Exit Planning Institute, <https://exit-planning-institute.org>