

LaForest
COACHING & CONSULTING

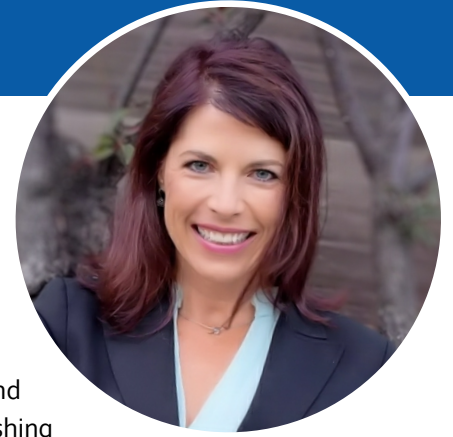


Can Your Business Survive If You No Longer Ran It Tomorrow?

Tony Kubica and Sara LaForest

www.laforestconsulting.com

805.710.3066



*Helping
executives and
entrepreneurs
achieve results
through a
people-centered
approach*

Who Am I and Why Can You Trust Me?

I am Sara LaForest, an entrepreneur, consultant, coach, instructor, and author with comprehensive experience in the private, nonprofit, education, and government sectors.

I am on a mission to empower entrepreneurs, executives and leaders to grow their businesses and help them create flourishing workplace environments. If you share this mission, these articles will introduce my approach. I believe you will find them helpful and pragmatic.

For more than a decade, I have grown, managed, and nurtured my own companies specializing in leadership consulting, organizational development, and executive and performance coaching. My focus is on the critical—yet often overlooked—interdependencies of strategy, branding, culture, and talent necessary to foster and propel growth. My high-touch, personalized approach helps leaders improve company performance and team functioning at all levels, while facilitating a positive and productive workplace culture.

How am I different? What new perspective do I bring? My strength is combining company growth with an emphasis on the personal growth and well-being of the people with whom I work and serve. My deep-rooted commitment to human advancement is my advantage.

This article, along with many other national and international published works, was co-written with my retired partner, Tony Kubica. Our book, *Organizational Gravity: A Guide to Strategically Growing Your Company's Brand, Culture, and Talent*, is available on [Amazon](#).

To learn more about my services, publications, and speaking engagements, please visit [LaForestConsulting.com](#). You can contact me directly at Sara@LaForestConsulting.com or via [LinkedIn](#).

*Improving
Performance*

*Navigating
Transitions*

*Accelerating
Results*

How much time do you spend thinking about your succession and your exit, whether planned for or unintended? If you're like many of the small business owners we meet – not much. That's okay as long as you don't care about supporting yourself and your family when you retire or leave the business, and if you are not attached to what happens to the business, your employees and your customers after you leave. But in truth, the entrepreneurs and small business owners we meet do care. They care a lot - they just haven't done much about it yet.

And even more unfortunate is the fact that many small business owners believe that their business will just dissolve when they exit, and don't believe or understand that their business could have value for sale.

Two Reasons Your Business Can Have Value After You Leave the Business

1. If you setup your business so it can be sold at a later date, then your company can help grow the acquirer's business by allowing them to add a new service or product line to their business or by enhancing an existing service/product line through the addition of your company.
2. If you are a thought leader in your industry and if the business does not rely on you for operations – then your business has value as your competition will want to remove you as a competitor!

Now, we know what you are thinking... “But, I'm not ready to sell my business. Why do I have to think about exit planning for my business now?”

Here's Why Exit Planning Is Critical For Your Business Now – And Why You Should Not Delay Thinking About Exit Strategies...

An exit plan better prepares you (the business owner) for the inevitable transition of your business – whether it's expected (i.e., planned retirement), or unexpected and the result of undesirable circumstances that can and do arise.

Most business owners we talk to understand the voluntary exit (even if they are not currently planning for it). What is less discussed, but a potential reality, is the unexpected exit. An unexpected exit can be triggered by three biological events:

- You die
- You become ill or disabled
- Aging impacts your ability or interest to effectively run the business

Due to the sensitivity of the topic, many small business owners simply avoid the biological aspects in their exit planning. As a result, they or they family and staff are left to deal with the muddle of unknowns amid the highly emotional and sometimes financial losses as a result of an unexpected exit the owner.

How to Start

Regardless of whether the exit event is planned (the sale of the company, leadership succession of an employee or family member) or not (i.e., an unexpected biological event), at some point there will be an inevitable transition.

*Helping
executives and
entrepreneurs
achieve results
through a
people-centered
approach*

So you must commit some time to think about and formulate an exit strategy that considers not only the planned exit options, but also the unplanned exit possibilities. To start your thinking, we suggest you start with one key question: *Can your business continue if you could no longer run it tomorrow?*

If the answer is yes – then you are better prepared for a sale or for a biological event. If your answer is no, because the business relies either solely or primarily on you for sales and key operational activities, you are not a very attractive acquisition target. And should a biological event occur, sustaining the business could be a serious challenge for those left with it in their hands.

We recommend that regardless of where you are in your business life cycle, you should be working to create your business exit plan. Ideally, this happens in the early stages of your business, such that you “start with the end in mind.”

Developing your exit plan involves critically assessing the business on value drivers, including management and systems, IP, customers, revenue, employees and talent resources (subs) and facilities. And, it requires personal planning of the owner(s). For example, retirement is the key planned exit outside of “grow to sell” – in which case the exit is a planned sale. In this case you may stay on for a year or two to aid in the transition, or you could just hand over the baton and move along.

Unplanned events are more difficult to plan for – it involves considering the undesired “what if’s” – you get sick or hurt and can’t come to work for several months; you are hit by a bus... what does this mean and what happens to the business and the people therein?

If you need or desire help, find a good business consultant that specializes in exit planning and they will guide you through the process. While formulating an exit plan definitely requires some frontloading, the benefits of your effort will payoff by:

1. Allowing you to control and better manage the exit
2. Helping you to maximize company value
3. Minimizing tax implications
4. Establishing multiple exit options which mitigate unknowns and negative unexpected circumstances (i.e. serious injury/disability, death, divorce, disagreement/owner deadlock, etc.)
5. Better enabling you to achieve business and personal goals
6. Reducing stress and anxiety due to prior planning and defined expectations
7. Insuring business continuity for partners, family, employees and customers that are connected to and rely on your business

Whether you are at the beginning of your business life-cycle, or well along the path, one thing is for certain—you won’t be there forever. So what’s your strategy?