



STRATEGIC
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The Exit Strategies Newsletter

The Myth of Easy Exits

A number of years ago, a man named Michael Gerber stumbled upon an unspoken rule of business; that entrepreneurs were not born, they were created. Well, Mr. Gerber went on to write a number of books and build a consulting business based upon this entire premise. Many years later, those same business owners who successfully got into business with the right advice and coaching are now trying to figure out their exit. And, much like Mr. Gerber's words of wisdom regarding the myth of the entrepreneur, there are an equal number of misconceptions surrounding the exit from a business. Namely, the idea that exits are born and not created is a myth that needs to be dispelled before the world of business owners can begin to seek the assistance that they need to properly plan for their exit.

A Process is Required

If you were about to learn a new sport you might find it prudent to take a few lessons. Having never attempted this new sport you concurrently realize that

physical activity often times can lead to injuries if you are not careful. You therefore expect your instructor to provide you with tools, tips, and a process by which you can advance in your new undertaking. Without the guidance of one who has gone before you, it is likely that you would expend a great amount of time and energy in a directionless manner. Moreover, a little voice inside your head tells you that you're not as young as you used to be and, therefore, you don't adapt to new ideas as quickly either.

Planning an exit is no different than learning anything else that is new. It requires a discipline and a process by which you can follow some simple steps to achieve your desired outcome. But wait! What about the person you heard of who sold their business for a countless fortune to a nameless buyer and that individual easily stepped into an effortless retirement? Why, you think, can't I have the same good fortune as this person? Well, exit plans are not born, they are created. And, more importantly, no exit is easy.

No Exit is Easy

If it is true that zest, passion, and a never-say-die attitude is what exemplifies most entrepreneurs, then why should it also be true that these same folks can so effortlessly detach themselves from the work and businesses that they created through an ‘effortless’ sale or transfer of their business? The answer is that it isn’t true – it is a myth.

Every owner of a privately-held business will struggle with their exit. It is a unique situation for an owner of a privately-held business to experience an exit. How do you know that you are doing the right thing? Will the business survive without you? And, equally as important, how will you survive without the thrill of growing a business and the challenges that come with it? What will replace that need in your life after you have successfully exited?

The Business and The Personal

There is a combination of factors that make business exits unique for each owner. In short, it is the combination of business and personal considerations that make a private business exit a separate experience for each owner. After all, you are not disposing of a business that belongs to nameless and faceless shareholders which buy and sell the shares of your

company on a daily basis in stock markets. Rather, you are the name and face and those shareholders are friends, relatives, other employees and managers, and your constituents are local banks and service providers in your community. Your exit impacts each of these players. And, again, there is no one type of entrepreneur who can effortlessly navigate the competing interests of these constituents to affect an effortless exit.

Follow a Process for a Result

Given these challenges, it is helpful to come to two (2) important realizations:

1. No Exit is Easy

This simply means that the easy exit is a myth. Don’t believe in it because it will have you heading down an uncertain path at a point in time when you cannot afford to wander.

2. Follow a Process

This simple but true advice is relevant no matter who you are, what type of business you run, or what stage of exit you believe yourself to be in. One must follow a process to get a result. If you can take your exit one step at a time, you will find that the myth quickly is dispelled and it is replaced with a nuts and bolts process to assist you with the identification of what is

most important to you, how prepared you are for your exit, what options are available, and what needs to be done in order to prioritize your desires and achieve your stated goals.

Concluding Thoughts

Again, exits are difficult. The easy exit is a myth. The more aware that you are about the need to follow a process to achieve your exit, the stronger you will be when it comes time to execute an exit that assists you in meeting your goals.

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