

## Why Setting Goals Is Important, Even If They Change

Setting goals is critically important to owners who begin Exit Planning. Without goals, even the strongest processes fail, because they have no purpose to work toward. Your goals are what guide your process toward a successful exit, and without them, you'll find yourself spinning your wheels in the mud of indecision.

While setting goals is the most important thing you do as you begin your business exit journey, it doesn't mean that you have to know exactly where you'll end up after you exit your business. Goals can and often must change to give you the best chance to exit your business on your terms. Business exits are rarely all-or-nothing propositions. Having the foresight to set actionable goals combined with the flexibility to change them when necessary gives you the freedom to pursue your vision of a successful business exit.

Let's look at three reasons why setting goals is so important, even though they might change.

### 1. Establishes Your Target

Setting goals allows you to establish a target that defines what a successful exit looks like for you, your family, and your business. By establishing the *why* behind exiting your business, you can discover *how* you can get to that point, giving you a reason to pursue those goals and putting yourself on the path toward Exit Planning success.

### 2. Provides a Road Map

Setting goals helps you develop a road map for how to achieve your goals. Knowing the terrain that stands between you and a successful business exit gives



*This issue brought to you by:*  
Chuck Baldwin  
Baldwin & Clarke  
Advisory Services, Inc.  
chuckb@bcasi.net  
baldwinclarke.com

The Baldwin & Clarke Companies have served New England entrepreneurs for over 45 years. Services include business valuation and consulting, M&A, executive benefit, wealth transfer and business continuity planning, investment management and retirement plan design and consulting. Our membership in BEI's Network of Exit Planning Professionals provides access to The BEI Seven Step Exit Planning Process which has enabled thousands of business owners to develop and execute successful exit strategies.

Baldwin & Clarke  
Advisory Services, Inc.  
116 B South River Road  
Coldstream Park  
Bedford, NH 03110  
(603) 668-4353  
(800) 639-2711

you the chance and confidence to properly prepare for the journey. This takes much of the initial anxiety about Exit Planning out of the equation by showing you that you can achieve your goals if you take the first steps toward approaching them systematically. Like an adventurer crossing the country on foot, you need to have a general idea for where you want to end up so that you can bring the appropriate tools and follow the best path to get there.

Setting goals also helps you track where you are on your journey toward Exit Planning success. Having an appreciation for where you are on the path toward your exit goals can encourage you to stay the course when times are good and refocus if things get bumpy.

### **3. Addresses Conflicts Before They Do Damage**

A common mistake owners make when setting goals is assuming that their goals will mesh smoothly with their overall plans. However, goals can conflict with one another, and sometimes, those conflicts can derail even the best-intended Exit Plans. This is where the concept of flexibility plays an important role. For example, say you wanted to sell your company to a third party in five years for \$5 million. Five years go by, and you find a buyer willing to pay you \$5 million, but with some caveats: The buyer is shutting down local operations, will lay off all of your employees with no severance, and your brand name will be absorbed by the buyer's conglomerate, never to be spoken of again.

While this example may seem extreme, many owners find that as they begin the process of exiting their businesses, some of their goals don't jive with each other. Fortunately, our Exit Planning process accounts for situations like this by giving you a template for setting goals: Establish your foundational goal (exiting with financial security), your baseline goals (exiting when you choose, exiting for the money you want, and transferring the business to whom you choose), and any number of value-based goals (e.g., keeping your legacy alive, keeping the business in your home town). Setting goals early lets you find and address conflicting goals, dramatically improving the probability of both resolving them and exiting successfully. Knowing your goals allows you to see when they are in conflict and make an informed decision about which to keep and which to change.

If you're unsure which goals are most important to you or whether your goals are realistic, contact us today. We can help you begin the process of identifying, prioritizing, and achieving your goals.

*Baldwin & Clarke*

ADVISORY SERVICES, INC.

**EXIT PLANNING  
INSIGHTS**

*Published by Business Enterprise Institute, Inc.*

August 17, 2017

ISSUE 354

*The information contained in this article is general in nature and is not legal, tax or financial advice. For information regarding your particular situation, contact an attorney or a tax or financial advisor. The information in this newsletter is provided with the understanding that it does not render legal, accounting, tax or financial advice. In specific cases, clients should consult their legal, accounting, tax or financial advisor. This article is not intended to give advice or to represent our firm as being qualified to give advice in all areas of professional services. Exit Planning is a discipline that typically requires the collaboration of multiple professional advisors. To the extent that our firm does not have the expertise required on a particular matter, we will always work closely with you to help you gain access to the resources and professional advice that you need.*

*This is an opt-in newsletter published by Business Enterprise Institute, Inc., and presented to you by our firm. We appreciate your interest.*

*Any examples provided are hypothetical and for illustrative purposes only. Examples include fictitious names and do not represent any particular person or entity.*