

## Setting Exit Goals for the New Year

With the new year upon us, many people have begun their journeys to fulfill their New Year's resolutions. For business owners, it's no different. Between creating goals for the business to achieve and assuring that the business keeps growing, owners will have much to consider this year. One of the goals most commonly shared by owners is to successfully exit their businesses over the next 10 years. Most business owners have a sense of how much longer they want to remain as owners of their businesses, and the new year is a perfect time to take control of the planning that can make the future successful.

In our experience, it usually takes a typical owner of a small to medium-sized business 5–10 years to implement an Exit Plan. That means that for many owners looking to exit their businesses within the next 5–10 years, their best chance at a successful business exit begins today.

As owners set out to begin creating a written Exit Plan, they may want to know that the most successful owners tend to establish their goals before they begin implementing a process. There are usually three types of goals that we see owners set as they begin the process behind their business exits:

1. **Foundational Goal:** When planning a business exit, the foundational goal is financial independence. This means transferring ownership and receiving enough money to not have to work again, unless you choose.
2. **Universal Goals:** Universal goals are goals that nearly all owners aim to achieve. They include leaving the business when they want, for the money they need, and to the person or people they choose.



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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.

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3. **Values-Based Goals:** Perhaps the most influential type of goals, values-based goals are goals that revolve around your personal values and ethics. Examples include making sure the business isn't shut down locally or maintaining a company culture after you leave. Often, owners don't even realize they have values-based goals until late in their Exit Planning process, at which point it may be too late to address them.

Identifying the goals that are most important to you gives you the best opportunity to create a plan that addresses those goals. It also gives you a chance to see whether you have conflicting exit goals. Because a business exit usually affects more people than just the business owner, you may find, as you plan, that some of your initial goals stand at odds with other goals. By setting your goals before implementing a process to achieve them, you can determine which goals are most important and decide how to manage any conflicts in what you think will help you exit your business on your terms.

If you'd like to discuss your goals for your business exit and the steps that follow to create a thoughtful plan for the future of your ownership, please contact us today. We can help you map the things that you believe will be most conducive to the success of your business, your family, and yourself as you approach your business exit.

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