



Even If You Never Plan to Exit Your Business, Exit Planning Can Still Help

Many business owners take pride in the businesses they've built. Some of those owners are so proud and dedicated to their businesses that they'd be happy dying at their desks, doing what they love. They believe that they can wait until they're ready to begin thinking about what happens when they exit the business, either by choice or otherwise. A few believe that they don't have to plan for their exits at all. They figure that since they are willing to die in the business, there's no point in planning for their exits.

This might be a flawed mind-set.

You may be asking yourself, "If I don't plan on leaving my business, why would I need Exit Planning?" Many business owners ask us that very same question. There are three key ways in which Exit Planning can help you and your business, even if you never plan to leave it.

Minimizing Taxes

No matter how you decide to exit—whether selling the business, transferring ownership, or dying at your desk—you could end up owing more taxes than you expect if you aren't prepared. Exit Planning can help address this unfortunate fact. There are two distinct ways that Exit Planning can help minimize the taxes you'll owe, if you truly desire to work until you die. First, your estate can benefit from a step-up in basis if your ownership transfers according to your estate plan. Second, current tax laws have raised the lifetime exclusion to the point where most small and mid-sized business owners don't have to pay estate taxes, provided owners have an appropriate estate plan. Since estate planning is a critical step in proper Exit Planning, you can use Exit Planning to leverage these benefits.

Doing It Your Way

Perhaps you have built a work culture that's so unique and strong that it serves as a competitive advantage per se. Maybe you take pride in how your business gives back to the community through charity and creating jobs. Or maybe you want people to remember your contributions fondly once you finally exit your



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ownership. Exit Planning lets you pursue and protect these kinds of goals. Exit Planning strategies can foster the culture you've built, protect the employees that make the business successful, and help you build the legacy you desire. Each Exit Planning strategy you end up using depends on what's most important to you. But when your values take precedence, Exit Planning can help keep those values at the forefront and minimize the "Things were better before new ownership took over" kinds of discussions that are common when owners don't protect their companies' values.

Increasing Growth Potential

Owners who decide to stay in their businesses forever rarely want to stay in a stagnant business. They often want and expect their businesses to grow in value, especially if they're spearheading the efforts. However, experience shows that for many business owners, there's a point at which they cannot grow the company any more by simply doing what they've been doing. What can you do if you want to stay in your business but don't know how to keep growing it?

Business owners who use Exit Planning discover that Exit Planning focuses on building business value regardless of whether they exit or not. Exit Planning can help you increase your business' growth potential by installing Value Drivers. Value Drivers are aspects of your business that make it an attractive purchase to buyers. This can be important even if you decide not to exit during your lifetime because it gives you more options for what happens to your business when you inevitably leave it. When done properly, installing Value Drivers can make ownership even more fulfilling. That's because certain Value Drivers can allow you to do only the things you want to do within the business while transferring responsibilities you don't like to equally or even more highly qualified employees.

Whether you want to work until you die or exit during your lifetime, Exit Planning can likely address concerns you have about what will happen to your business, family, and employees in the future. If you'd like to discuss which aspects of your business might benefit from Exit Planning, please contact us today.

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