

**Exit and succession planning is as important as running the business**

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Partner

**Many owner managers work extremely hard at running their business and managing the day to day activity. Making plans for exit and succession planning may seem like a premature task if leaving the business is not yet on your horizon but good exit strategy and succession planning is very important.**

There are many factors that can aid succession and exit planning. Getting as much advice and information as you can is a very sensible way of approaching exit planning and will aid the decision making process.

Think about the timing issues, consult your business plan and be realistic about your own personal plans for coming out of the business, do you want to exit completely or would you like to be involved on a consultancy basis perhaps?

If you are currently very involved in the day to day workings of the business you need to plan to train up the right people so they are doing the work and you step back from the hands-on work for example. Delegation is just an important tool to master as finding the right suppliers or products to sell so make sure you are empowering your team.

You need to plan for systems to be in place, these may be for production or finance perhaps to enable your business to continue to grow. A business that is future proofed as much as possible makes a much better proposition to an outsider when it comes to your options for moving on.

All your company financial records need to be up to date, accurate and transparent at all times. A good financial record, clean financial data and being able to demonstrate management credibility and controls will all make a big difference to the price you can achieve for your business.

Do some research in to your industry to get a feel for what other businesses have sold for in the past. Look at their circumstances and see how many potential people there are out there who may be interested in buying the business. There are many Corporate accountants and Corporate finance experts who can help with ‘grooming’ the business for sale.

Know and investigate the avenues available for the forms of exit you could look at; management buy out, family buy out (one many people do not consider but is well worth investigating), trade sale (this is the most common form) and flotation. Make sure you review your will and company constitution to ensure it matches your wishes for the future.

As an owner manager you should be encouraged to delegate and be able to demonstrate that there is a capable team in place running the business, any investor will look for this as they don’t want to invest in a business where the only person doing the work is the one looking to come out of it!

**For Business advice, speak to our specialist Marc Porritt-Allison by telephoning 01904 624185 or emailing [law@crombiewilkinson.co.uk](mailto:law@crombiewilkinson.co.uk)**

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