



Everson Retail
Coaching & Consulting

EXIT READINESS TOOLKIT

Take control of your future. Assess what's next.



WELCOME!

We are Tracy and Deborah, signing the documents to sell our hardware retail business in the above photo was one of the biggest moments of our lives. The JOY of this success came on the heels of years of planning and working hard to accomplish the big goal of getting our asking price and leaving our community with the continuation of our hardware store.

Since then, I have become a Certified Exit Planner (CEPA) and now work to support other retail business owners in preparing for their exit from the business. This means increasing the store's value, building the right team, and exiting your way and in your time.

Do You Have An Exit-Ready Business?

You're off to a strong start! By exploring this guide, you've already tackled one of the most challenging decisions in your journey as a business owner, acknowledging the importance of planning your exit and transition. Whether you're considering stepping away soon or years from now, this Exit Readiness Toolkit will help you assess how ready you and your business are for a smooth and successful transition.

What to expect:

- 10-question **Exit Readiness Assessment** to help gauge where you are in the planning process
- 15-question **Keep or Sell Test** to explore your options and priorities

This Exit Readiness Toolkit is just the beginning. When you are ready for more comprehensive preparation, give me a call!

Deborah Everson

Exit Readiness Assessment

Read the following 10 questions to determine how prepared or ready you actually are to transition out of your business. Check the box if you can say "yes I can check that off" or leave it blank if it's an area that needs some work. You can use this simple checklist as a guide to help you as you work on your business transition.

- ☐ You have discussed exiting the business with your family and are in agreement in a timeline. You have spent time learning about what is needed to exit your business.
- ☐ You have looked at your personal and business financial goals to make sure they are aligned. This means that your business is helping you achieve not only personal financial needs but also non-financial personal goals.
- ☐ You have created a team of advisors that work in partnership to help you achieve your goals. This team will include: spouse or partner, an attorney, CPA, financial advisor, exit advisor. This list could also include employees, banker, and family or personal counselor.
- ☐ You have in place a plan that if something happens to you that prevents your operation of the business outside of your control will allow the business to continue to operate normally. This also includes the ability to complete contracts and finalize an exit plan that may have been started. This plan has also been vetted with trusted advisors and family.
- ☐ You have recently completed a business evaluation, analysis of the market, and done a personal and business financial evaluation.
- ☐ You have analyzed and considered all of the exit options that are available while considering the pros and cons of each as related to your goals.
- ☐ You have a transition plan written out with specific goals with clearly defined tasks and timelines. This plan will also have a budget and will define your role before and after the transition. Exit planning will usually take 2 to 5 years to achieve the best opportunity to increase value and be prepared for a successful exit.



- ☐ You have thought about and created a plan for what life after the business exit will look like. This includes financial needs, estate planning, hobbies, and lifestyle.
- ☐ You have a plan in place to maximize the value of the business while de-risking and minimizing taxes providing a smooth transition to the next owner. This owner could include a family member, partner, or employee. Family member transitions should be treated the same as any other options and may include a multi-year transition plan.
- ☐ You have management and employees trained to ensure that after the transition the business will continue to operate smoothly under the new owner.

What are some areas that you need to work on? Use the blank space below or a separate piece of paper to write down your findings.



Keep or Sell Test

Knowing when your business is ready to sell is different than when you are ready. Many business owners decide the time to sell is when the business is in decline and not producing the desired financial benefit. This is definitely a time to look at your business, but it may not be the best time to sell in order to get the most out of your investment. The following test will give you an idea if this is the best time to sell or if there is room for improvement to get a better final price on your business. At the end we'll go over how to score your answers and what that represents. As in the previous exercise be honest and as accurate as possible with your answers.

1. Have you performed an independent professional business evaluation?

Yes (1) No (2)

2. Have you looked at your financial needs with a financial advisor to determine how much investment money you would need to support your desired life style after the sale?

Yes (1) No (2)

3. Are you able to leave the business for a week or more at a time without any need to check in or be called?

Yes (1) No (2)

4. What is the primary source of new and existing sales for your business? (please select only one)

- A. You are providing the main source (5)
- B. Word of mouth (5)
- C. Print advertising and/or direct mail (2)
- D. An employee with a marketing plan utilizing multiple advertising format. (1)
- E. eCommerce activities (2)

5. How have your sales and profits been trending over the last five years?

- A. Increasing (1)
- B. Decreasing (5)
- C. Flat (3)



6. Have you planned out what you want to do after you exit the business?
(More vacations and golf do not count)

Yes (1) No (2)

7. How is your revenue generated?

- A. Top 5 customers account for over 30% of sales (6)
- B. Have a diverse base of many customers (1)

8. Have you looked at all the options available for exit and narrowed down the best one for your business?

Yes (1) No (2)

9. Do you know using documented proof how much you would net from the sale of your business? (after all fees and taxes)

Yes (1) No (2)

10. Do each of your employees and family members have documented job descriptions with clear responsibilities?

Yes (1) No (2)

11. Do you have written documentation for all the procedures for the business? (customer relations, office, employee training, etc.)

Yes (1) No (2)

12. How is your physical and mental Health?

- A. Excellent (3)
- B. Typical aches and pains for your age (2)
- C. Some major issues (1)

13. How do you feel about your business?

- A. It invigorates me and still passionate (3)
- B. I feel like I'm just maintaining things, no vision (2)
- C. I dread going to work every day (1)



14. Do you have a timeline or date when you would like to retire?

Yes (1) No (2)

15. What is the climate like for your type of business?

- A. Growing (1)
- B. Shrinking (3)
- C. Steady (2)

Scoring Your Results

- ☐ **15 Points:** Your business is well-prepared for an exit and is attractive to buyers.
- ☐ **16-30 Points:** You may need some strategic improvements before selling.
- ☐ **31-43 Points:** You likely need more time to optimize your business for a successful sale.

This assessment is a tool to help you identify strengths and weaknesses in your exit readiness. For more detailed exit planning, consider working with **Everson Retail Coaching & Consulting** to develop a structured plan for a future-ready business.





Thank you!

Planning your exit puts you in the driver's seat.

When you're ready to take the next steps towards your exit, I am ready to help!



In addition to coaching and consulting, I offer speaking and workshop packages for all types of needs. Whether we are solving a simple problem or executing a complex plan, let's talk!

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