

Thinking About Exiting Your Business? Don't Let a Pandemic Stop You

There's no doubt the pandemic has disrupted most businesses' strategic plans, but if you've been thinking of exiting your business, now could be the ideal time. [Glenn Bowman](#) and [Barbara Cowper](#) explain why and provide a step-by-step guide for getting started.

To say the pandemic has completely upended the business landscape would be an understatement. After all, for every business that has experienced unexpected losses and hardships, there's another that has experienced unforeseen growth and success.

The strangest part? This division isn't restricted to specific industries. Chances are, within your sector or industry, there's another business that's on the opposite end of the spectrum from you. This diversity in the market is precisely why you should seize the moment to exit your business, if you've been considering doing so.

Whether your business has seen a surge in revenue over the last year and you're eager to secure that value, or the pandemic has taken a toll on your company and you're too exhausted to wait it out, there are countless exit options at your fingertips that will leave you with the money you need to move onto the next phase of life.

The key is to take advantage of the option that makes the most sense for you—and that starts with the right exit strategy.

Step 1: Identify your liquidity goals

Regardless of what position you find yourself in, it's still possible to leave your business on your preferred terms. First, however, you need to define what those terms are. That starts by setting your liquidity goals.

To set goals that align with your financial needs and the current market, it's important to conduct some preliminary

research. Specifically, you want to uncover your most lucrative exit options, the market demand for your business and its current value. Next, it's time to figure out what steps to take to land on the upper end of that range.

Step 2: Consider all your options

If you've been toying with the idea of leaving your business, you've likely envisioned selling it to an interested buyer, but there are actually many alternative exit options available to you. Depending on your exit objectives, timelines, tax and risk factors, you may decide that a partial sale, debt finance leveraged recap, management/employee buyout or even an IPO will allow you to [maximize your business's value](#).

To determine which option is best for you, it's wise to consult a professional early in the process so you can better understand the different liquidity options available and identify which ones make the most sense in today's climate.

Step 3: Speak their language

Despite the uncertainty of the current market, there are still countless buyers ready and willing to pay good money for your business—and both traditional and non-traditional lenders are willing to finance a good deal. Depending on your particular situation, a well-performing competitor may see your business as a worthy M&A opportunity, or a private equity firm may see your business as a lucrative transaction.

To ensure these buyers recognize your business's potential, you need to both understand what they're looking for and concisely express how you meet their needs, in a language that resonates with them.

Step 4: Master the execution

While the previous three steps are unquestionably integral to a successful succession, how it all plays out will ultimately come down to your execution. Your exit should be timed to align with ideal market conditions and be based on up-to-date information. Proper process management and superior negotiation skills also play a large part in enabling you to receive maximum value for your business.

Seize the moment

There's no question the pandemic has been a whirlwind for everyone. Whether you spent the past year dealing with unprecedented demand or struggling to keep the revenue flowing, you'd be forgiven for reaching a point where you're just

ready to slow down—or focus on something else entirely.

Fortunately, that option is available to you, regardless of your business' current performance. At Farber, it's our business to stay up-to-date on the latest market trends and financing options—and this extensive industry knowledge allows us to find the best deals that meet your liquidity and succession goals.

To learn more about how we can help you maximize your business's value during these unprecedented times, contact us.

Is My Company Insolvent?

As the pandemic moves into a new year, it's important for businesses to take stock of their financial situation and address early triggers before they morph into bigger problems [Learn more](#)

Our Contributors

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