

Do You Plan to Sell Your Business in the Next 10-15 Years? If So, It's Time to Gain Some 'Exit IQ'



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By Jennifer Ross, July 21, 2021

Interestingly, Research estimates there are some 4.5M firms, representing more than \$10 trillion in business value, that will transition ownership during the next 10-15 years. Additionally, 85-90 percent of the average company owners' net worth is tied up in their business.

Yet the vast majority of these owners have given little to no thought as to how to transition their businesses. Will they sell to a competitor? Will they do an internal transfer to employees or family members? To a private equity firm?

Shockingly, most don't know. Eighty percent have never sought exit planning professionals about their eventual transition and 70 percent have no firm answers on how much post retirement income they'd need according to research from PwC.

Sadly, COVID has made the situation still worse, as many business sectors changed dramatically during and following the pandemic lockdowns, and some of them failed. Funding acquisitions have continued to struggle even after the pandemic. Buyers are concerned that many businesses may still be rebounding and fear the forecasts for future revenue may be overly optimistic and lack enough proven history to safely calculate sustainable growth.

With 30-years of experience in exit planning solutions, the owners of Exit IQ in Salt Lake City manage business exits in the Intermountain states. Founders Richard Tanner and Cory Tanner have assisted hundreds of privately-held companies through successful exits. They agree with industry estimates that only 20-30 percent of businesses that go on the market end up selling. Even more sadly, of the businesses that sell, the majority ended up negotiating with a single buyer, which means they were most surely selling for a much lower price than would have been possible when selling to a field of prospective buyers and supported by expert advice.

It's time to acquire some Exit IQ™

In the same way we acquire intellectual IQ and even emotional “EQ”, the founders of Exit IQ have created an initiative to raise business owners’ Exit IQ, the specific knowledge required to transition the ownership a privately-held company with success. For example, there are actually five kinds of exits possible, which is vital to understand well before you contemplate a company sale.

Selecting the optimum exit strategy, what to prepare, the financial structure and terms, investment banker due diligence, and how to value the business are all critical to increase the odds of success. It should stand to reason that presenting your company to multiple buyers will net a far better outcome at a higher price.

With so much at stake, Exit IQ has launched a nationwide initiative – with a mission and vision to educate business owners on the things they need to know before a business sale that will result in a successful exit. In a nutshell, Exit IQ helps privately held business owners to exit their business when they want to, how they want to and at the highest possible value. What could be more compelling than that? For more information, readers can visit ExitIQ.com.