

7 Steps for Business Owners Considering the Sale of Their Small Business

Selling the business you built is one of the most significant financial and personal moments of your life. It is the culmination of your vision, effort, and leadership. Whether you have dedicated decades to its growth or are closing a chapter on your latest startup, a strategic approach to the sale is essential. A well-planned process can make a substantial difference in the final outcome, both financially and personally.

Near or far, here are 7 fundamentals to consider when the timing is right for you.



STEP #1

Define Your Personal and Financial Goals

Before evaluating any offers, the first step is to establish what a successful sale means to you. Most owners have a clear sale price goal for the transaction, but knowing your intangible goals can be equally as important.

While the final price is a critical component, your personal objectives for the future provide the guiding principles for the entire transaction.

CONSIDER THESE QUESTIONS:

- Are you selling to free up time for other pursuits?
- Is this the beginning of your retirement?
- Do you plan to launch a new venture?
- Would you prefer to maintain some level of involvement in the company post-sale?

Dedicating time to clarify the "why" behind your decision is crucial. Spending time honestly thinking through the "why" of a transaction and sharing your goals with your trusted advisors is a great step towards achieving a successful outcome.

STEP #2

Build Your Exit Strategy

Every business sale is unique, and your exit strategy must be tailored to your specific goals. There isn't a universal playbook; the objective is to design the right solution for your circumstances.

For instance, if you plan to pass the business to family members, you should evaluate whether a direct sale, a gift, or a hybrid approach is the most effective structure. If your business owns significant real estate assets, it may be strategically advantageous to retain ownership of the property and lease it back to the new owner, creating a consistent income stream.

Work with your advisor to architect a deal structure that supports your comprehensive financial plan for the future.

STEP #3

Plan for the Life Transition

The sale of your business is more than a financial transaction; it represents a major life transition. Thinking strategically about what comes next can make this change feel more seamless and fulfilling.

How do you envision spending your time after the sale? Will you start a new business, engage in philanthropy, or focus more on family and personal interests? By being intentional about your post-sale life, you can approach this transition not as an ending, but as the start of a new, purposeful chapter.



STEP #4

Optimize Your Asset Location and Structure

No matter what stage of the sales process you are in, thinking about the way your assets are structured can unlock incremental value to your wealth. Proactive estate and tax planning are critical for maximizing the proceeds from the sale. Are you aware of the pre-exit estate and wealth transfer planning that needs to be in place early to take advantage of tax strategies?

Certain financial strategies can be:

GRANTOR TRUSTS

An estate planning structure where the person creating the trust (the grantor) is treated as the owner of the trust's assets for income tax purposes. This allows the grantor to pay taxes on trust income while shifting future appreciation out of their taxable estate.

CHARITABLE REMINDER TRUSTS (CRT)

An irrevocable trust that allows you to donate assets to charity, receive a partial charitable tax deduction, and continue receiving income for a set period. When the term ends, the remaining assets go to the charity.

DONOR-ADVISED FUNDS (DAF)

A charitable giving vehicle that works like a charitable investment account. You contribute assets, receive an immediate tax deduction, and recommend grants to charitable organizations over time.

These can all offer meaningful tax efficiencies when implemented correctly. Engaging with and building a team of trusted, qualified advisors to discuss financial, estate, and tax planning strategies is crucial to protecting your wealth in the early stages in the process.

STEP #5

Develop a Comprehensive Financial Plan

Developing a holistic financial plan that can serve as your roadmap before, during, and after the sale is essential. Finding a financial advisor who will help you integrate investments, tax strategies, insurance, and gifting plans to ensure they are all aligned with your overarching goals is essential.

It's also important to stay informed about relevant financial regulations. For example, key figures to be aware of when navigating the sales process of a small business:

ANNUAL GIFT TAX EXCLUSION

The annual limit for gifting is \$19,000 per recipient in 2025.

FEDERAL ESTATE TAX EXEMPTION

The current exemption is \$13.99 million per individual (\$27.98 million for a married couple).

UPCOMING CHANGES

The old rule that this exemption would drop to roughly \$6.84 million per person in 2026 is no longer in effect. Under the One Big Beautiful Bill Act (OBBBA), the exemption will instead **increase to \$15 million per person (or \$30 million per couple)** starting in 2026, indexed for inflation.

WHAT THIS MEANS

There's no immediate "use it or lose it" deadline anymore, but thoughtful wealth-transfer planning remains essential, especially for business owners whose estates may exceed those thresholds.

*Source: <https://www.irs.gov>, 10/2025

STEP #6

Maintain Open Communication with Family

Considering how a future transaction will impact each member of your family creates an opportunity to mitigate potential conflicts and disputes before they occur. This starts with aligning with any family members who are currently involved in your business to understand their long-term desires and qualifications for staying in the business.

These conversations can be tricky to navigate, your financial advisor knows this. Here are a few key questions to lead a meaningful discussion:

- Which family members wish to remain active in the business, and are they prepared for leadership responsibilities?
- How will you structure inheritances to ensure equitable treatment for heirs who are active in the business versus those who are not?

While these conversations can be challenging, they are a critical component of preserving family harmony and the legacy of your business.



STEP #7

Establish Clear Boundaries Post-Sale

Knowing how to say no. No matter what wealth is generated from a transaction, it's important for business owners to think about how relationships may change after a transaction.

After a successful sale, you may find that the expectations of others shift. Many business owners are often surprised by how many people or institutions will approach them with requests for their time, financial gifts, or business advice. It is important to set clear boundaries to protect your time, your wealth, and your personal peace of mind. A proactive strategy is to work with an advisor to build a framework for charitable giving and personal lending. A plan allows you to be generous in a way that is both sustainable and aligned with your financial goals, while providing clear boundaries for requests that fall outside those parameters.