



EXIT PLANNING

The Business Owner's Exit Checklist

The financial, tax, and personal questions to answer well before you sell, while you still have time to change the answers.

Exit is a process, not an event

Most owners begin planning when a buyer appears. By then the two things that most determine the outcome—what the business is worth and what you keep after tax—are largely set.

THE DEADLINE MOST OWNERS HAVE NEVER HEARD OF

Almost every meaningful tax and estate strategy must be in place before a letter of intent is signed. Once a deal is identified and value is reasonably ascertainable, the most valuable planning windows close.

THREE GAPS TO MEASURE

Value gap	Between what your business is worth today and what a best-in-class competitor would be worth.
Profit gap	Between current profitability and what it could be with improvements available now.
Wealth gap	Between what you would net after tax and what you need to fund the rest of your life.

SIXTEEN QUESTIONS

The readiness audit

Answer each as it is true today, not as you intend it to be. Every N is a finding, and every finding is either a discount a buyer will take or a decision you have not made yet.

Business readiness

- | | | |
|---|----------------------------|----------------------------|
| Financial statements are reviewed or audited, not compiled. | Y ☐ | N ☐ |
| No single customer represents an outsized share of revenue. | Y ☐ | N ☐ |
| The business would function for ninety days without me. | Y ☐ | N ☐ |
| A management team exists that a buyer would want to retain. | Y ☐ | N ☐ |

Financial readiness

- | | | |
|--|----------------------------|----------------------------|
| I know my number: the after-tax proceeds required to fund the rest of my life. | Y ☐ | N ☐ |
| I have modeled net proceeds after taxes, fees, debt payoff, and escrow. | Y ☐ | N ☐ |
| I know the current, defensible market value of the business. | Y ☐ | N ☐ |
| My personal balance sheet has meaningful assets outside the business. | Y ☐ | N ☐ |

Tax and deal structure

- | | | |
|--|----------------------------|----------------------------|
| I understand asset sale versus stock sale treatment for my entity. | Y ☐ | N ☐ |
| Charitable and gifting strategies have been evaluated before any deal is identified. | Y ☐ | N ☐ |
| State residency and state-level exposure have been reviewed. | Y ☐ | N ☐ |
| My CPA, attorney, and advisor have met together about this. | Y ☐ | N ☐ |

Personal readiness after exit

- | | | |
|---|----------------------------|----------------------------|
| I can describe what I will do with the first year after the sale, in specifics. | Y ☐ | N ☐ |
| I know what I will say when someone asks what I do. | Y ☐ | N ☐ |
| My spouse and I agree on what life looks like afterward. | Y ☐ | N ☐ |
| Family members involved in the business know what is being considered. | Y ☐ | N ☐ |

WHERE YOU STAND

Reading your score

Add up your 'No' answers across all four sections. Then look at where they cluster, because the distribution matters more than the total.

Answers	Reading	What we would do
0 – 2	Exit ready	You could run a process this year. Focus on tax structure and timing.
3 – 6	Nearly ready	Ordinary gaps. Twelve to eighteen months of focused work closes them.
7 – 11	Not yet sellable at your number	Real value is being left on the table. Fix operations before you go to market.
12+	Two to three years out	This is a build phase, not a sale phase. That is a finding, not a failure.

Where your 'No' answers cluster

The section holding most of your 'No' answers tells you which advisor to call first, and in what order to spend the next eighteen months.

- **Mostly business readiness.** Operational work, and the highest-return use of your time. Customer concentration and owner dependence move the multiple more than anything else.
- **Mostly financial readiness.** You may be closer or further from your number than you think. Model it before you make any operational decision.
- **Mostly tax and structure.** The most time-sensitive category on the list. These windows close at the letter of intent, not at closing.
- **Mostly personal readiness.** The category owners skip and the one that most reliably predicts regret. Price is rarely what dissatisfied sellers cite afterward.

WHAT THIS GUIDE CAN'T DO

Owners routinely overestimate net proceeds by twenty-five to forty percent. The gap between headline price and the number that hits your account is the single most important figure in your exit, and it is not one you can estimate from a checklist.

BOOK A CONVERSATION

Start before there is a buyer

Exit planning is most valuable in the years when nothing is happening. If you are somewhere between someday and soon, that is exactly the right time for the first conversation.

Wealth gap analysis. What you would net today versus what you need. The most clarifying number in the process.

Pre-LOI review. Tax, estate, and charitable strategies while the windows are still open.

Advisor coordination. Your CPA, attorney, and advisor working from one plan and one timeline.

[SCHEDULE YOUR 30 MINUTES](#)

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