

Complete Business Exit Planning Checklist



Introduction

Exiting a business is one of the most significant financial and personal decisions you'll ever make. Whether you're planning to retire, transfer ownership to family, or sell to a third party, careful preparation can help you maximize value and ensure a smooth transition. This **Complete Business Exit Planning Checklist** is designed to guide you through the key steps—covering personal goals, exit strategies, business readiness, tax planning, and transition planning.



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Develop Your Personal Goals

- Define your personal and financial goals for life after the exit
- Build your advisory team: financial advisor, tax professional, M&A attorney and investment banker, and (if applicable) business broker and insurance specialist
- Work with a financial advisor to determine your post-exit income needs
- Review supplemental retirement income sources if the business value is insufficient
- Review and/or establish your estate plan
- Draft a personal statement of exit objectives
- Create a schedule for transferring ownership
- Define roles for management and family members post-exit
- Develop communication plans for:
 - Stakeholders and employees
 - Customers and suppliers
- Establish contingency plans for unexpected scenarios



Decide on Your Exit Strategy

- Align personal goals for timing, control, liquidity, and legacy
- Meet with your advisory team (legal, tax, wealth, valuation, and brokerage) to review exit options
- Select your preferred strategy and a contingency plan
- Choose among the following strategies:
 - **Insider or Succession**
 - » Family succession—transfer ownership to heirs or relatives through a sale or gifting strategy
 - » Management buyout (MBO)—sale to existing leadership using financing, sponsor support, or ESOP proceeds
 - » Partner or shareholder buyout—redeeming or purchasing ownership stakes
 - » Employee Stock Ownership Plan (ESOP)—partial or full sale to employees through a qualified trust
 - **Third-Party and Strategic Sale**
 - » Strategic sale—sale to an industry buyer seeking synergies
 - » Private equity or financial sponsor sale—leveraged buyout or partial cash-out with rollover equity
 - » Management buy-in (MBI)—sale to an outside management team backed by investors
 - » Minority recapitalization—sale of a portion of ownership to access growth capital
 - **Other Options**
 - » Merger or consolidation—combine with a peer or platform company for scale
 - » Recapitalization—raise capital or debt to provide partial liquidity while retaining control
 - » Orderly asset sale or liquidation—structured exit when a sale or transfer isn't viable



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Get the Business Ready

- Conduct a full analysis of financial and operational performance
- Review and update buy-sell agreements
- Hire a valuation expert for accurate business value
- Develop a succession plan for family members involved in the business
- Develop a succession plan for key management personnel
- Compare business valuation against financial goals and address any gaps
- Create a plan to preserve company value until the exit
- Prepare for due diligence (address compliance, contracts, operations, financials)
- Build a business continuity plan to protect operations during transition

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Develop a Tax Planning Strategy

- Consult with tax and estate planning experts
- Explore options to reduce tax liability (gifting, trusts, charitable planning)
- Compare tax implications of different sale structures:
 - Installment sale
 - Outright sale
 - Family transfer
 - ESOP
- Review entity-specific issues (C Corp vs. S Corp taxation)

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Draft Your Transition Plan

- Document your full exit plan in writing
- Share the plan with your advisory team and family
- Review and update the plan regularly as circumstances change
- Use the plan as a roadmap for:
 - Maximizing company value
 - Reducing risk
 - Executing a smooth transition at the right time

Conclusion

Planning your business exit isn't just about leaving—it's about helping to ensure your financial security, preserving your legacy, and setting your company up for long-term success. With years of experience guiding owners through this complex process, JJ Burns & Company acts as your conductor, coordinating the many moving parts of your exit plan so you can stay focused on running your business.

Here's what sets JJ Burns & Company apart:

- ✓ Trusted local Long Island presence with extensive business planning and wealth management experience.
- ✓ Collaborative guidance on operating agreements, business structures, relationship management, and other business projects.
- ✓ White-glove coordination of your exit planning team through our trusted network of M&A advisors, contract attorneys, tax professionals, valuation experts, insurance specialists, estate planning attorneys, and more.

Ready to begin your business transition with confidence?

Contact us to learn how we can help you maximize value and successfully exit your business on your terms.





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