

Business Selling Checklist

Smart entrepreneurs look beyond the financials to enhance the impact of an impending business sale.

Any business owner is familiar with looking at all sides of a particular transaction. It's no different with the ultimate transaction—the sale of the business itself. It is vital to consider not only the financial and tax consequences of a sale, but also the impact on one's family situation, next generation planning, other business holdings and charitable giving pursuits. When all is said and done, you'll want to know you maximized opportunities, minimized regrets and positioned yourself for a rewarding next chapter. This doesn't happen without thoughtful and timely planning.

Whittier Trust Vice President and Certified Exit Planning Advisor Elizabeth Anderson helps clients successfully navigate selling their businesses. Achieving the highest valuation multiple is always a top priority, but the team takes a holistic approach that prioritizes investments, family relationships, and tax, estate, and philanthropic planning. “We spend time getting to know our clients' needs and goals so that we can help avoid any obstacles and optimize their results,” she says. “Often, by thinking ahead, we're able to achieve even better outcomes than they hoped.”

One way the Whittier Trust team helps business owners navigate a potential sale is by doing a deep-dive to understand the impact the sale of the business may have on the owner's business goals and the owner's personal life. In addition to fact-finding about the business itself and how it's structured, the team will work to understand the motivations behind why you built the business, why you're prepared to sell and how to best achieve your goals for the future. Here are some questions to help get you started:

- What prompted you to start the business in the first place?
- Why are you thinking about leaving the business?
- Do you have a timeline in mind for your exit?
- What's your vision of the ideal transition?
- What personal or business objectives would you like to see accomplished in the transition?
- How do you expect exiting the company to impact your life?
- Do you want to stay involved in the business after the sale?
- Do you expect any family members to remain active in the business?

- Are you concerned about any family issues?
- How do you expect your key employees to be impacted?
- Are you concerned about any employee issues?
- Do you anticipate any partner or shareholder issues?
- How important is preserving the legacy of the business?
- Have you identified a successor(s)?
- Have you taken steps to formalize a transfer arrangement?
- What are you most concerned about relative to the transition?
- Have you had the business appraised in the last 12 months?
- Have you worked with anyone to evaluate the health of the business?
- How will exiting the business impact your personal financial situation?
- Does anyone else depend on the business for income or financial support?
- Do you currently have a wealth management consultant?
- Do you have an estate plan?
- Do you have a plan for optimizing tax efficiency and savings related to the transaction?

- Have you estimated your cash flow needs after the transaction?
- To what extent do you expect to rely on proceeds of the sale to meet your post-transaction cash flow needs?
- What are your post-sale goals?
- Are there any family dynamics that might be a cause for concern when the sale happens?

This list of questions isn't exhaustive, but it's designed to help you uncover risks and planning opportunities that are best addressed months, or even years, before the sale. Understanding your priorities is a great first step toward opening a broader and more lasting potential for your wealth, family, and legacy.

Keep in mind that to increase your chances for a big win, it is essential that you coordinate with your professionals to tailor the results to your needs. Whittier Trust has experience working with legal and accounting teams to ensure that the specifics of your deal will focus on the outcomes you seek from a holistic perspective. "No two businesses are alike, just like no two families are the same," Anderson says. "We take pride in being the partner business owners can count on to pave the way for the result they want."

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