



### 8 Reasons It's a Good Idea to Begin Planning Your Business Exit Early

1. **Transition Planning Preserves Enterprise Value** – A BCG study found a “28-percentage point differential in market capitalization growth between companies that had planned transitions and those that had not.” (Boston Consulting Group study of 200 family business transitions 1995-2014)
2. **Things Happen** – Every business needs a contingency plan in case something happens to the owner. It is a healthy business practice and a courtesy to partners, customers, employees and family.
3. **Healthy Change Takes Time** – Start succession planning early. It is important to take a team approach to crafting the company's desired succession plan. Investing early in developing that infrastructure pays dividends later.
4. **If Family's Involved, Expect Extra Work** – Plan to invest time and thought in establishing family governance cohesion and legacy guidelines.
5. **Transparency Breeds Trust** – Communicating that the owner is actively engaged in long-term succession planning inspires confidence and diminishes the spotlight when an exit is imminent.
6. **Building Transferable Value is a Process** – One sign of a strong business is how it operates with its leader absent. Taking time to train, manage and teach the executive team can strengthen the business and make it more valuable at exit.
7. **Life Will Change – There's a Chance to Make it Better** – Intentionally planning for life after the exit allows the owner to adjust to the idea of change, exercise control, design a realistic and appealing plan, and ensure it is affordable.
8. **They Want More Money In the Bank** – Securing financial independence from the business is a key objective of most exits. By aligning owner objectives, personal financial needs, estate planning strategies, philanthropic goals and tax consequences, prepared owners position themselves to achieve the most favorable outcomes.

#### WHITTIER TRUST COMPANY

**South Pasadena** 1600 Huntington Dr., South Pasadena, CA 91030 | 626.441.5111

**Newport Beach** 4695 MacArthur Ct., Ste 1500, Newport Beach, CA 92660 | 949.216.2200

**San Francisco** 505 Montgomery St., Ste 1200, San Francisco, CA 94111 | 415.283.1850

**West LA** 11100 Santa Monica Blvd., Ste 1910, Los Angeles, CA 90025 | 310.943.0750

**Menlo Park** 525 Middlefield Rd., Ste 110, Menlo Park, CA 94025 | 650.609.2300

#### THE WHITTIER TRUST COMPANY OF NEVADA, INC.

**Reno** 100 W. Liberty St., Ste 890, Reno, NV 89501 | 775.686.5400

**Seattle** 520 Pike St., Ste 1415, Seattle, WA 98101 | 206.332.0836

**Portland** 111 S.W. Fifth Ave., Ste 3150, Portland, OR 97204 | 503.444.3428

Whittier Trust Company and The Whittier Trust Company of Nevada, Inc. are state-chartered trust companies, which are wholly owned by Whittier Holdings, Inc., a closely held holding company. All of said companies are referred to herein, individually and collectively, as "Whittier". This document is provided for informational purposes only and is not intended, and should not be construed, as investment, tax or legal advice. Please consult your own investment, legal and/or tax advisors in connection with financial decisions and before engaging in any financial transactions. This document does not purport to be a complete statement of approaches, which may vary due to individual factors and circumstances. Although the information provided is carefully reviewed, Whittier makes no representations or warranties regarding the information provided and cannot be held responsible for any direct or incidental loss or damage resulting from applying any of the information provided. Past performance is no guarantee of future results and no investment or financial planning strategy can guarantee profit or protection against losses. These materials may not be reproduced or distributed without Whittier's prior written consent. For additional information about Whittier, please visit our website at [www.whittiertrust.com](http://www.whittiertrust.com).