

KeyeStrategies, LLC

“A Transition Planning Checklist”

Phase One: 3-5 Years Out

1. Assemble your team of advisers to discuss your options
 - Business/M & A attorney, Estate Planning attorney, CPA, Wealth Manager, Exit Planner, Business Consultant or Coach, Banker
 - Make sure each are educated and practiced in Transition and Succession Planning
 - Meet quarterly on a specific Transition agenda to get their expertise, making sure all bases are covered.

2. Update your Strategic Plan
 - Create one, if you don't have one with the help of a business consultant/coach who understands Exit Strategy well.
 - Implement new strategies for growth and improvement to the business; now is not the time to take your foot off the gas. It's rather the opposite.
 - Create as much 'curb appeal' as possible, but make sure your internal processes and documentation are accurate and in order, namely your financials. “True” them up now. The look-back period from a potential buyer is usually 3 years.

3. Discuss Key Person employee retention programs with your wealth manager and M & A attorney and get them implemented. The value of your key people to a potential buyer is higher than you think and you can't afford to lose them.
 - Focus on growing the Culture of your business and increasing employee engagement
 - Implement best practices in HR (Recognition, compensation, onboarding, regular Reviews)

4. Update and document internal processes, trade secrets and other Intellectual Property
 - Use services of IP attorney to register or update trademarks, patents and copyrights
 - Focus on Brand development with the help of a brand/marketing expert
 - Promote the brand; it should be one of your most important assets and goes far beyond your “reputation” in the marketplace.

5. Update your Marketing plan
 - Revise your website with your newly refreshed Brand and Brand Message
 - Implement a Digital Marketing plan with measurable ROI
 - Blog
 - Raise your Net Promoter Score

6. Normalize your Financials with the help of a good CFO
 - Do not use your business as an ATM
 - Visit with your wealth manager on whether to diversify your equity *before* the sale
 - Make sure you are the proper tax entity well before the liquidity event
 - Have preliminary conversations with your CPA and Tax lawyer about how to save on taxes after the sale.

7. Start working on a plan for your Next Act
 - Do you have enough to retire; do you WANT to retire?
 - How will you spend your time?
 - Is there another business in your future?
 - You still have a lot of life to live; plan it out so you can maintain your sense of relevance and productivity.

8. If you have an Internal Successor:
 - Begin with hiring a consultant to do assessments measuring leadership and business acumen
 - Have candid conversations about goals, desires and expectations
 - Be very clear on what your new role will be; make sure everyone in the company knows it
 - Make sure that terms of financing the deal are planned and agreed upon far in advance with agreements in writing; visit with your banker well ahead of time, so you what's allowed and not allowed in financing a deal.

9. If you do NOT have an Internal Successor:
 - Obtain recommendations and meet with 2 or 3 Investment Bankers or Business Brokers (which one will depend on the size of your business). Establish a relationship now, so they know you and your business well when the time comes to put it on the market.
 - Meet with your business attorney at least annually to update them on your plans. Are there any steps needed to de-risk the business from a legal standpoint?

This is by no means a comprehensive list, but it will give you a good start on this very complicated and lengthy process of transition planning. Don't go it alone; assemble a good team who can help you, so you can sleep at night!

All the Best,

Julie Keyes

Keyestrategies, LLC

763-350-5563

julie@keyestrategies.com