

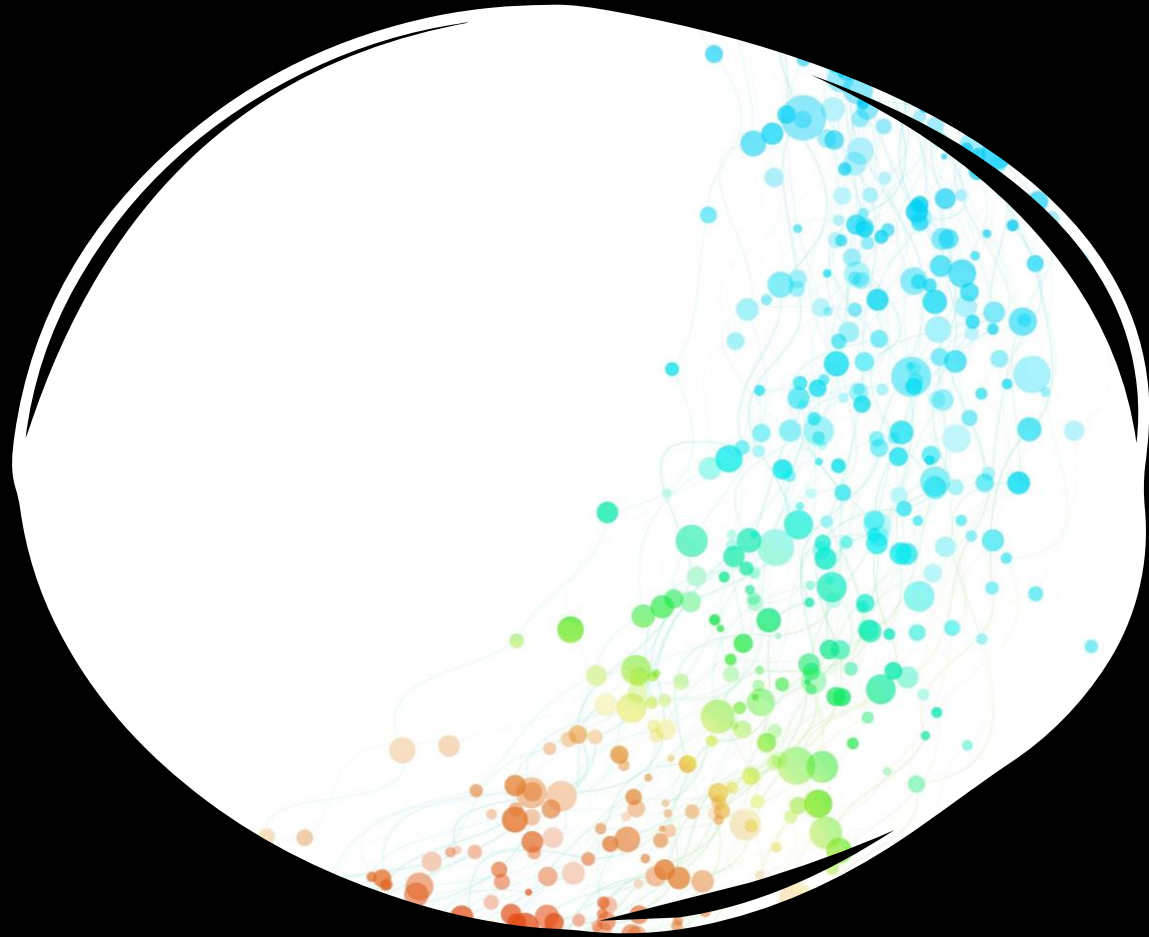


# Why Exit

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NCMSDC

Financial Literacy Month



Least  
emphasized,  
probably most  
important

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[exitstrat@aol.com](mailto:exitstrat@aol.com)

# Exit Strategy

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- *An exit strategy is a business owner's strategic plan to sell ownership in a company to investors or another company.*
- *It outlines a process to reduce or liquidate ownership in a business and, if the business is successful, make a substantial profit.*

# Designing an Exit Strategy

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- *Designing an effective exit begins with defining the investment thesis, identifying potential exit routes, establishing criteria for exits, monitoring portfolio companies, building relationships with potential buyers, and preparing for exits. By following these steps, fund managers can maximize returns for their investors and achieve successful exits.*

# Why Exit

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1. **Retirement:** One of the most common reasons for selling a business is retirement. The business owner may have reached retirement age or simply decided that they want to pursue other interests or activities.
2. **Financial reasons:** Another common reason for selling a business is to generate cash for personal or business needs. This could include paying off debts, investing in other businesses or opportunities, or funding personal expenses.
3. **Changes in personal circumstances:** Sometimes, a change in personal circumstances can lead to the decision to sell a business. For example, the business owner may need to relocate, experience a health issue, or face a divorce or other family issues.
4. **Partnership disputes:** If there are multiple owners of a business, disputes or disagreements between partners can lead to the decision to sell the business.
5. **Lack of interest or burnout:** The business owner may have lost interest in running the business or experienced burnout, leading them to consider selling the business.
6. **Strategic reasons:** In some cases, selling a business may be part of a strategic decision to focus on other businesses or opportunities, or to exit a particular market or industry.
7. **Opportunity for growth:** Sometimes, selling a business can provide opportunities for growth or expansion, such as through a merger or acquisition.





# What type of Exit

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- Partial
- Full
- recapitalization



## More than just an event

- ▶ 245 • Realization
- Provide liquidity
- Signal of future growth
- Transition of Ownership



What does  
the Exit tell  
an investor  
about the  
story?

Total  
Addressable  
Market (TAM)

Flywheel  
Effect- 10X  
Potential

Supply and  
Demand  
Characteristics

Probability of  
Event

Depth of  
Market

Potential to  
meet their  
objectives

# Recent Exits

Mark Lasry (Was it a good Exit?)

- [Marc Lasry has agreed to sell stake in Bucks to Haslams \(jsonline.com\)](#)

[U.S. VC exits were down 90.5% in 2022 with just \\$71.4B in value | NVCA | VentureBeat](#)

[Intilion Owner Said to Weigh Rare IPO of Lithium Energy Unit - Bloomberg](#)

# Exit Journey

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- *Agglomerate: From Idea to IPO in 12 Months*
- *Exit Right: How to Sell Your Startup, Maximize Return & Build Your Legacy*
- *Getting Acquired: How I Built and Sold My SaaS Startup*
- *From Startup to Exit: An Insider's Guide to Launching and Scaling Your Tech Business*
- *Early Exits: Exit Strategies for Entrepreneurs and Angel Investors (But Maybe Not Venture Capitalist)*
- *Mastering the VC Game*
- *Trillion Dollar Opportunity: Designing Successful Exit Strategies for Middle Market Business Owners*

# After Exit Planning

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- [The 6 Types of Business Exit \(and Which is Right For You\) \(jeanmoncrieff.com\)](http://jeanmoncrieff.com)
- [How to Write an Exit Strategy in Your Business Plan - Example - a blog site \(managementverge.com\)](http://managementverge.com)
- [Exit Planning - Wealth Preservation Solutions](#)
- Life After Selling a Business Report

# Thank You

Michael S. Harper, CAIA, LEED AP

BH+CO

[harp@bhga.me](mailto:harp@bhga.me)

414-403-0072