

# NBDC EXIT PLANNING PROGRAM



Maximize Business Value.

Maximize Exit or Transition Opportunities.

Minimize Cost.

AVAILABLE STATEWIDE

308-865-8344

[www.nbdcvalue.com](http://www.nbdcvalue.com)

# NBDC Exit Planning Program

## Snapshot of Owner Exit Challenges and Attitudes

There is generally one business at-risk and in need exit planning assistance per 100 persons of population in any given geographical area.

90% of small business owners need a successful sale to fund their retirement - only 10% are likely to get it without exit and value assistance.

### Survey of 300 small business owners after they sold their business:

Only 5% were happy with their results.

75% regretted selling their business.

100% would go back and be better prepared if they could do it over.

### How current owners plan to leave:

Up to 38% of owners hope to sell - how, when and to who?

30% want a family member to buy it - but what if they don't want it?

32% say liquidate, have no idea or other - lay off staff and close the doors.

### Additional points to consider:

80% of broker or other for-sale listings fail to produce a buyer.

For the 20% that do sell, a successful sale requires an average of 7 to 11 months.

Only 23% of owners have a written transition or exit plan in place.

Most other exit planning services are provided through financial planners and are targeted to businesses with value or annual revenue of \$5 million to \$50 million dollars or more and can cost \$15,000 to \$60,000. The NBDC exit and value planning is designed for small business from \$200,000 to \$5 million dollars or more and costs \$2,995 (other third-party fees if required not included.)

*Information from Forbes, EPI, US Small Business Administration, PWC, USB, US Census, other sources*

## NBDC Exit and Value Projects

Why enroll your business in NBDC's exit and value program? Many small business owners either can't afford a traditional exit and value plan or fail to plan at all, greatly reducing their odds of future success.

When it comes to exit or transition planning, failing to plan is planning to fail.

### Planning improves success

Owners spend years, often decades building a successful business. They also need to spend a little time planning how they'll leave. Information and advanced planning increase exit and value options and opportunities.

### Owners need time

It takes time to develop and implement a successful exit and value plan. NBDC's exit and value program is flexible. Generally, owners need between one to three years to create and implement a successful exit and value plan - longer if a family succession is considered. In some cases, health or other issues demand an accelerated exit approach. We'll include options for each, and each project we complete is completely confidential.

### Keep your advisors

Owners continue to use their existing professional advisors. NBDC does not replace an owners' advisors. Owners use their completed NBDC exit and value project to make preliminary decisions about their preferred exit strategies, set goals, and prepare their business and themselves for transition. When they're are ready, the owners' existing advisor team can help them improve and implement their plan. Team members may include:

Attorney

Accountant

Insurance Professional

Key Employees

Family Members

Financial Planner

Wealth Manager

Lender

Broker – Realtor

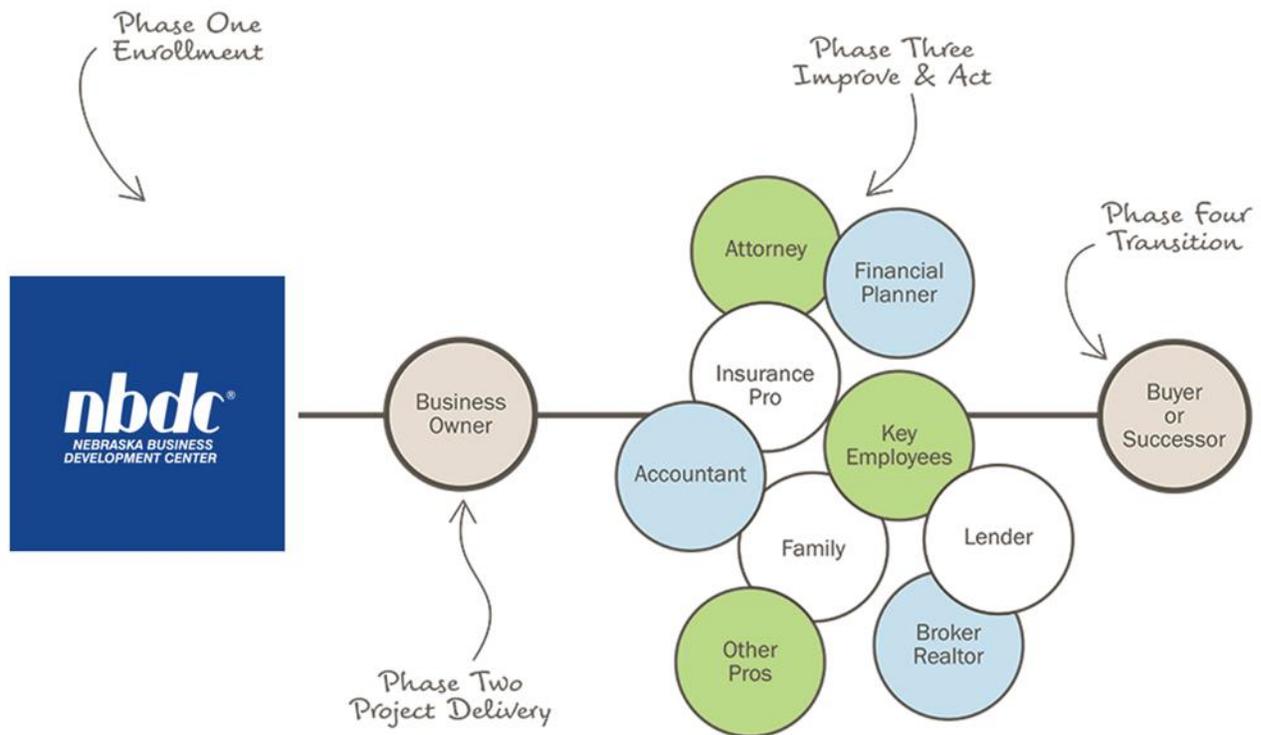
Other Professionals

## Getting Started

First, enroll in NBDC's statewide exit and value program by contacting Odee Ingersoll at 308-865-8344 or via email at [ingersollo@unk.edu](mailto:ingersollo@unk.edu). We'll provide an engagement agreement and schedule the project. Owner's will collect and send a minimal amount of requested company information and financial performance data to NBDC. We'll have some questions after we review the information, then we'll prepare the exit and value project report and return it for review. Once the report is received, if there are questions, owners may schedule a no-cost pro session to review and discuss their results.

Next owners customize the exit plan to reflect their goals, timeline and preliminary action steps. When they're ready, the project and exit plan should be shared with their existing advising professionals. They'll make additional recommendations to improve and finalize the plan. The owner should also consider communicating with family and key employees for any additional ideas or insights they might offer. Then it's time for the begin to implement the plan and begin to position the business for a successful sale or transition.

Going forward, we suggest you allow NBDC update the exit and value report annually or as required to capture improved performance, value, and opportunities, and reduced risk.



## Included In Every NBDC Exit and Value Project



NBDC Credentialed Business Exit and Value Projects start at just \$2,995  
– affordable for any sized small employer business.

- **Executive Summary**

A quick look at business exit and value project results. Where things are now and what might be achieved.

- **Owner Exit Plan**

Ready for the owner to complete with their exit priorities and goals. Then share with their advisors, key employees, or family to improve and enact their plan.

- **Current Fair Market Value Report**

A business planning value report at current fair market value including tangible and intangible (blue sky) values and estimated company-level capital gains. Owners can't begin to plan for the future until they know where they're really at today.

- **Nine Exit Opportunities for Success**

Nine or more business exit models with estimated cash-to-the-seller values for each exit or transition model using the firms' current fair market value.

- **Financial and Performance Analysis**

Including how the business compares to the average performance of their industry peers - other businesses like theirs with similar revenue.

- **Recommendations**

Provided for performance improvement, to maximize near-term and sale value, and improve future exit opportunities.

- **Key Value Drivers**

Important factors for ongoing success that potential buyers will look for.

- **Proposed Example Pro Forma Budget**

Developed using recommendations and historical performance. Example annual performance goals for the next three years to raise business value, business profile, and financial opportunities.

- **Future Fair Market Value Estimate**

A pro forma example of annual business value over the next three years based on recommendations and the example budget. See how much additional value may be captured before a transition or sale.

- **Updated Exit Opportunities**

Created using the pro forma value estimates. See how each of the nine exit models' cash-to-the-seller values change and how value gaps may be filled.

- **Five or More Deal Structures**

Combine with selected exit models to find transition success. Each example structure is demonstrated using the firm's unique results. Includes a "maximum value" and a "quick-out" deal example.

- **Numerous Exit and Value Planning Aids**

Planning checklists and guides, quick-read examples of exit successes and failures, and a discussion about how to make the best use of each member of the advisor team.

- **Special Succession Section**

For family business transition or succession events. This important section is a must-read for any owner who wants to pass their business on to a family member and for the intended successor.

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