

# NAVIX Exit Strategy Checklist - Passer

Pass to Family



INDIVIDUAL NAME: \_\_\_\_\_

BUSINESS NAME: \_\_\_\_\_

DATE COMPLETED: \_\_\_/\_\_\_/\_\_\_

Every business owner will exit from the business, one way or another. In fact, there are four potential strategies to exit from a privately owned business. Identifying which strategy is yours creates a clear path to plan and execute a successful exit. The four possible business exit strategies are:

1. Pass to Family
2. Sell to Outside Third Parties
3. Sell to Inside Key Employees
4. Planned Liquidation

If your strategy is to pass your business down to a member of your family, you face a unique set of issues, such as making sure the successor children are ready to run the business by the time you want to leave. Also, "Passers" (as we call owners with this strategy) with some children working in the business and some who are not must figure out how to create a business exit that is fair to all of their children, without splitting up the business in an unworkable manner. Woven into these issues are family dynamics, relationships, and realities which can undermine the owner's successful business exit.

In our experience, there are seven conditions that Passers must meet in order to likely achieve a happy exit. Use the checklist below to evaluate how prepared you are to pass your business down to family, and to identify actions that will help you achieve a successful exit.

## REQUIRED CONDITIONS:

	YES	CLOSE	FAR	UNSURE
1. The business has value as an ongoing concern not significantly dependent upon me.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. My child(ren) has the ability to run the business.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. My child(ren) wants to own the business, and is prepared for all the risks of ownership.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. My objectives will not undermine any family relations, especially with any child(ren) not actively involved in the business.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Non-family co-owners (if applicable) and key employees support this outcome.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. I have a clear and achievable path to financial freedom, without creating an unreasonable financial burden on the business once it is passed to the child(ren).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Transfer taxes and other liquidity demands have been addressed and will not hinder us.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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Any conditions that you evaluated as either “Far” or “Unsure” could undermine or block your successful exit. Whether your desired exit is around the corner, or years from now, proper planning begins now in order to one day exit happily.



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NAVIX® is a proprietary process that helps business owners plan for and achieve successful exits.

NAVIX® helps owners of closely held businesses plan for and execute successful exits: achieving financial freedom, creating a sustainable legacy, and exiting on their own terms.

NAVIX® was designed out of experience seeing business owners struggle to achieve financial freedom, create a sustainable business legacy, and exit on their own terms. NAVIX® is a dual track process, that prepares both the business and its owner(s) for exit. NAVIX® is not just about planning; we also help clients execute the strategies and tactics needed to achieve a successful exit.

To learn about the NAVIX® program, please visit [www.navixconsultants.com](http://www.navixconsultants.com)