crossroads CAPITAL

Preparing for an Exit
Positioning a Company for a Successful Sale

Steps to Optimize Your Exit

Step 1
Self Assessment

Critically evaluate your company's strengths and weaknesses to detect any issues that can reduce valuation or make buyers walk away. In doing so, you will also discover ways to leverage your strengths. This self-assessment will help you chart the path towards an optimal exit.

Step 2
Deploy Experts

Addressing the issues identified during the self assessment requires a multitude of functional experts to address all value drivers. These include wealth managers, investment bankers, M&A attorneys as well as experts in the functional categories listed below.

Step 3
Execute on a Timeline

Using the help of the expert team assembled in Step 2 draft a plan for implementation. Ensure the plan has a clear and realistic timeline. Evaluate progress regularly and adjust your approach as needed. A deal-oriented quarterback should help manage this process.

Key Drivers of Value by Functional Category

Markets & Strategy
- ☐ Competitive Advantages
- ☐ Barriers to Entry
- ☐ Customer Concentration
- ☐ Product Diversification

BD & Marketing
- ☐ Customer Retention
- ☐ Sales Acqusition Costs
- ☐ Pipeline Quality & Size
- ☐ Branding & Reputation

Accounting & Finance
- ☐ Audited Financials
- ☐ Accounting Controls
- ☐ Balance Sheet
- ☐ Quality of Earnings

Sales & Operations
- ☐ Supplier Relationships
- ☐ Certifications
- ☐ IT Infrastructure
- ☐ Sales Processes

Corporate & Legal
- ☐ Intellectual Property
- ☐ Pending Litigation
- ☐ Regulatory Exposure
- ☐ Corporate Governance

HR & Staff
- ☐ Turnover & Retention
- ☐ Management Quality
- ☐ Culture & Morale
- ☐ Bench Strength

Successfully preparing your business for an optimal exit is a time-consuming process requiring the input of a diverse set of experts. For this reason, it is best to start early. The better prepared the business, the smoother and more efficient the sell-side process. This preparation can attract more and better quality buyers, help streamline diligence, and improve communication with the market place, ultimately helping command a premium valuation.