

# THE END GAME:

Planning Your Business Exit with Confidence

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## AGENDA

**INTRODUCTION** – why it's never too early to build a plan

**WHY EXIT & SUCCESSION PLANNING MATTERS** – Don't waste your invested time

**KEY EXIT & SUCCESSION OPTIONS** – What is best for you and your business?

**EARLY-PLANNING ADVANTAGE** – Choice, control, higher valuation and lower risk

**SUCCESSION & STAKEHOLDER STRATEGY** – Who will lead, and what gaps exist?

**ROADMAP TO EXIT** – Phases and timing

**PRACTICAL TOOLS** – Resources and tools

**NEXT STEPS** – Planning steps to take now

**Q&A** – Question and answers

# WHAT YOU'LL GAIN



A clear understanding  
of the main exit route  
options



Insight into the key drivers  
that increase business  
worth and reduce risk



Practical tools to  
prepare your business  
for succession or sale



Confidence to make  
informed leadership,  
process and strategy  
decisions ahead of exit



A man and a woman are seen from behind, looking at a large screen. The screen displays the text 'CONSIDERATIONS & SOBERING FACTS' in white on a blue background. The room has a brick wall and a wooden bar in the background.

# **CONSIDERATIONS & SOBERING FACTS**





**PLANNING YOUR BUSINESS EXIT IS LIKE A PILOT  
PREPARING FOR LANDING...**





**...A SMOOTH LANDING NEVER HAPPENS BY CHANCE.**



Long before the wheels touch the runway, pilots are:

- ✓ Reviewing the conditions
- ✓ Checking their instruments
- ✓ Aligning their approach
- ✓ Communicating with the team

Early planning reduces risk, stay ahead of potential problems and ensures that everyone on board arrives safely





A well-planned exit or succession strategy gives you **clarity, control and confidence**.



By setting your direction early and preparing your team, the transition becomes **calm, organised and value-preserving**.



Without preparation, even the best journey can end in turbulence.

Just as pilots plan their descent long before landing, leaders who plan their exit early achieve:

- ✓ Smoother transitions
- ✓ Stronger outcomes
- ✓ Safer landing for everyone involved

# WHAT'S YOUR BIGGEST CONCERN WHEN THINKING ABOUT EXITING OR PASSING YOUR BUSINESS ON?



Value & Financial  
Security



Finding the Right  
Successor



Team Stability  
and Culture



Letting Go &  
Loss of Control



Timing &  
Readiness



Business decline  
& loss of Legacy







**LETTING GO OF YOUR BUSINESS IS LIKE  
SENDING YOUR CHILD TO UNIVERSITY**

**YOU'RE PROUD, TERRIFIED, AND CONVINCED  
NO ONE ELSE WILL LOOK AFTER IT PROPERLY.**

# WHY EXIT & SUCCESSION PLANNING MATTERS

*“The best way to predict the future is to create it.”* – Peter Drucker



*“Give me six hours to chop down a tree  
and I will spend the first four sharpening  
the axe.”*

**- Abraham Lincoln**



## CASE STUDY: A WISH IS NOT A PLAN

A successful property management company working in both domestic and commercial space.

- Husband-and-Wife team established the business 29 years ago, and built a profitable business with revenue of just under £1m
- They were looking to retire to France where they were renovating an old mill
- Their intended exit route was an MBO led by their daughter. Her experience in multiple roles over several years meant she had already acquired many of the required capabilities
- Although they did have a 'plan' – it lacked detail and overlooked critical elements that derailed the sale
- **The problem:** The daughter's poor credit rating made lenders unwilling to fund the transaction
- **The Impact:** With the parents still owning the business and their daughter now in the MD role, they remain without the funds needed to finish the renovation or build the retirement they deserve



**MORE CHOICE**



**GREATER CONTROL**



**HIGHER VALUATION**



**LOWER RISK**





# WHAT IS YOUR BUSINESS WORTH?

1. EBITDA (Earnings Before Interest, Tax, Depreciation & Amortisation).

2. Calculate EBITDA and adjust for one-off costs, salaries taken above market rate, personal expenses, etc.).

3. Apply a typical market multiple for SMEs and Mid Market.

- Small service businesses: 2 - 4x
- Strong professional services / B2B: 4 - 7x
- Tech, SaaS, recurring revenue models: 7 - 12x
- Asset-heavy businesses (construction, manufacturing): 3 - 6x

The stronger the profit consistency, recurring income, and management team, the higher the multiple.



# KEY EXIT & SUCCESSION OPTIONS

*“Risk comes from not knowing what you’re doing.”* - Warren Buffett

# WHAT ARE THE MAIN EXIT OPTIONS?

See Workbook Section 3 – Key Business Sale options

## 1. Trade Sale



Selling your business to a strategic buyer – often a competitor, supplier, customer, or company looking to expand

### Pros:

- Potentially highest valuation if there are strategic synergies
- Faster exit once the deal is complete
- Buyer may bring resources to grow the business further
- Allows the owner to walk away more quickly after handover

### Cons:

- Cultural clash risk for staff
- May require a longer earn-out period tied to performance
- Customer relationships may be disrupted
- Buyer due diligence can be demanding and time-consuming

## 2. Management Buyout



MBO is where the existing management team buys the business, often financed through loans, investors, or staged payments.

### Pros:

- Continuity for customers, staff and operations
- Buyers already understand the business
- Smoother transition with less disruption
- Allows staged exit giving owner phased income

### Cons:

- Management team must have the capability and appetite
- Financing can be complex, and valuations may be lower
- Transition period may be longer



### 3. Employee Ownership Trust



EOT is a structure where a trust is created to buy the business on behalf of the employees. Supported by favourable UK tax legislation

#### Pros:

- Significant tax benefits
- Protects jobs and culture
- Creates strong employee engagement and loyalty
- Owner can stage the exit gradually

#### Cons:

- Usually requires a strong, stable cashflow to fund purchase
- Valuation is fair market value, not strategic premium
- Requires robust governance structures
- Not suitable if employees lack interest in ownership

## 4. Family Succession



Passing the business to children or family members through sale or gifting

### Pros:

- Maintains family legacy and continuity
- Familiar leadership for customers and staff
- Can be structured tax-efficiently
- Flexibility in timing and transition

### Cons:

- Family dynamics can complicate decision-making
- Successor may lack capability or motivation
- Hard conversations about fairness between family members
- Valuation and financial return may be lower

## 5. Partial Sale / Investor (Private Equity or Minority Stake)



Selling a portion of your business to an investor, often to fund growth or de-risk personally.

### Pros:

- Allows owner to take some money out while staying involved
- Investor brings expertise, networks and growth capital
- Potential for a larger future exit if the business scales
- Can maintain leadership continuity

### Cons:

- Owner gives up some control and decision-making autonomy
- Investor expectations can increase pressure
- Governance & reporting requirements become more formal
- Next exit depends on investor timelines



# WHICH EXIT PATH SEEMS MOST APPEALING OR RELEVANT TO YOUR BUSINESS RIGHT NOW?"

## 1. Trade Sale



Selling the business to a strategic buyer – often a competitor, supplier, customer, or company looking to expand

## 2. Management Buyout



MBO by the existing management team financed through loans, investors, or staged payments

## 3. Employee Ownership Trust



EOT trust is created to buy the business on behalf of the employees

## 4. Family Succession



Passing the business to children or family members through sale or gifting

## 5. Partial Sale / Investor



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# PRIVATE EQUITY INVESTMENTS

- Private equity is a major and growing owner of UK businesses accounting for roughly **25%** of all UK M&A deals in recent years Source: KPMG
- Almost **13,000** UK companies are currently backed by private equity or venture capital, employing more than **2.5 MILLION** people. Source: BVCA

## Main drawbacks and risks

- Many buyouts are debt-financed, loading the company with levels of borrowing that increases the risk of financial distress or insolvency if performance dips
- To improve returns, some PE's cut headcount, benefits or assets, which can damage morale and, in some cases, lead to job losses with out productivity gains

## Benefits for businesses

- Access to substantial growth capital to scale operations, enter new markets, or for NPd
- PE investors usually bring sector experience, improve reporting and governance, and support systems investment, operational efficiencies and growth plans
- PE-backed firms often see higher productivity, investment and employment growth

## Advantages for founders

- PE deals can allow founders to de-risk by taking cash out while still holding equity for a future "second bite of the cherry"
- PE can support management outs and provide structure around succession where there is no obvious internal buyer



# EOT'S ARE ON THE INCREASE

The number of Employee Ownership Trusts in the UK:

2018: 19

Mid 2025: 2470

- In 2024 alone, about **560** companies transitioned to employee ownership via EOTs
- As of 2025, around **358,000** people are employed in employee-owned businesses (EOBs) across various sectors including professional services, manufacturing and construction.
- Research comparing EOT-owned companies with non-employee-owned firms found that they are **8-12%** more productive in terms of gross value added per employee.
- EOBs are **25%** more likely to report profit increases over a five-year period compared with traditional firms. Source: quantuma.com
- Surveys show **70%** of employees in EOBs report higher job satisfaction than in traditionally owned companies. Source: eot.co.uk
- Many EOT companies report significantly lower staff turnover such as, reductions from ~25% to **SINGLE-DIGITS** following the transition.



# CASE STUDY: A POOLE BASED EOT SUCCESS STORY



- Grapevine is a successful, full-service IT support provider built up over 34 years, delivering IT support, connectivity, cyber security, phone systems, mobile solutions and Microsoft 365 to businesses across the region
- When the founders chose to retire in 2023, the business transitioned to an Employee Ownership Trust (EOT)
- The team was kept fully informed throughout the process, with a well-planned transfer, strong governance, and the right leadership structure put in place



*“We have ambitious growth plans and that cannot be achieved without the right people onboard. Becoming an Employee Ownership Trust provides our team with additional job security and allows them to focus on what they do best, for us, and our clients.”* – James Spinks, Managing Director

- Since becoming an EOT, employee engagement has increased, innovation has continued, and the business has delivered strong growth and profitability
- Performance has exceeded expectations, with the business on track to repay the former owners well ahead of the six-year plan
- In recognition of its success, Grapevine was named EO Rising Star of the Year 2025 at the UK Employee Ownership Association Awards

# EARLY-PLANNING ADVANTAGE

## YOUR OPPORTUNITY TO BUILD VALUE

*“Long-term success comes from doing the right thing,  
not the easy thing.” - Sir Ian Cheshire*

# 10 VALUE DRIVERS



## 1. FINANCIAL PERFORMANCE & PREDICTABILITY



Does the business have stable revenue, strong margins, and clean financials over multiple years?



# 10 VALUE DRIVERS



## 2. GROWTH POTENTIAL



Is there a clear, credible growth story a buyer can leverage?

# 10 VALUE DRIVERS



## 3. CUSTOMER QUALITY & CONCENTRATION



How diversified and loyal is your customer base?

# 10 VALUE DRIVERS



## 4. MANAGEMENT TEAM STRENGTH



Can the business operate without you?



# 10 VALUE DRIVERS



## 5. OPERATIONAL EFFICIENCY & SCALABILITY



Are processes efficient, documented, and scalable?

# 10 VALUE DRIVERS



## 6. MARKET POSITION & COMPETITIVE ADVANTAGE



Is the business clearly differentiated in its market?

# 10 VALUE DRIVERS



## 7. BUSINESS MODEL QUALITY



Is the revenue model attractive (recurring, contracted, etc.)?



# 10 VALUE DRIVERS



## 8. LEGAL, COMPLIANCE & RISK PROFILE



How “clean” is the business legally and operationally?

# 10 VALUE DRIVERS



## 9. WORKING CAPITAL & CASH FLOW



Is the business cash-generative with manageable working-capital needs?

# 10 VALUE DRIVERS



## 10. SYNERGY POTENTIAL FOR A BUYER



Would a buyer benefit from cost savings, market expansion, or cross-selling?



# SUCCESSION & STAKEHOLDER STRATEGY

*“Deals are easy. Culture is hard.” - Jack Welch*

# IF YOU WERE HANDING OVER TOMORROW, WHO WOULD RUN THE BUSINESS?

Do they want it?

Do they have the capability to be successful?

Do they have leadership skills?

Are they a good cultural fit?

Are they strategic?

Will the team respect them?

Do they understand the sector and customers?

Do they have financial and commercial acumen?

Family business: Can you balance family expectations, capability and fairness?

EOT transitions: What structure is required for governance and alignment?

Can gaps can be plugged with training and recruiting a team around them?



# WHAT ARE THE LEADERSHIP REQUIREMENTS FOR OTHER SALE TRANSACTIONS?

## Trade Sale:

Would the buyer need a leader for the business?

Would they be likely to integrate the business into their own operation?

What would happen to your existing team?

## Investor or Private Equity Sale:

How long would they require you to continue running the business for?

Does this align with your needs and expectations?

Can a new leader be brought in or promoted from within?





# ROADMAP TO EXIT

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## 1. PREPARE

Clarify your goals, organise key documents and understand your valuation to start the process well.



## 2. STRENGTHEN

Fix weaknesses, improve performance and reduce risks to boost value and buyer confidence.



## 3. MARKET

Present the business professionally, target the right buyers and create competitive interest.



## 4. TRANSITION

Support due diligence, finalise terms and plan a smooth handover to keep the deal on track.



## 5. EXIT

Complete the sale, transfer ownership and step back cleanly into your next chapter.

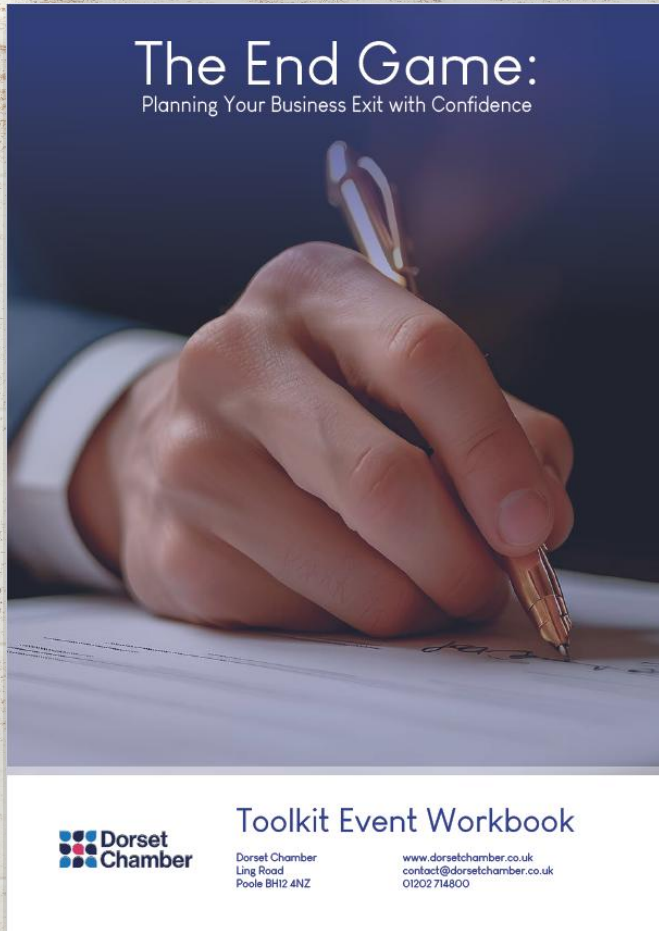
## YOUR BUSINESS CAN'T STOP OR SLOW DOWN FOR THE SALE



You must keep daily operations strong. Any drop in performance can reduce value and weaken buyer confidence, unsettle your team and impact customers.

Maintain momentum to secure the best outcome.

# PRACTICAL TOOLS



## Toolkit Event Workbook

Dorset Chamber  
Ling Road  
Poole BH12 4NZ

[www.dorsetchamber.co.uk](http://www.dorsetchamber.co.uk)  
[contact@dorsetchamber.co.uk](mailto:contact@dorsetchamber.co.uk)  
01202 714800



## 2. BUSINESS SALE READINESS & VALUE SCORECARD

Rate your business honestly on each value lever from 1-5, where:

- 1 = Weak / high risk
- 3 = Average / needs improvement
- 5 = Strong / attractive to buyers

Add up your total at the end section.

### 1. FINANCIAL PERFORMANCE & PREDICTABILITY (1-5)



Does the business have stable revenue, strong margins, and clean financials over multiple years?

- 1-2: Volatile, unclear accounts
- 3: Generally stable
- 4-5: Very predictable, strong profit & cash flow

Score

### 2. GROWTH POTENTIAL (1-5)



Is there a clear, credible growth story a buyer can leverage?

- 1-2: Limited growth or unclear strategy
- 3: Some potential
- 4-5: Strong markets, clear opportunities

Score

### 3. CUSTOMER QUALITY & CONCENTRATION (1-5)



How diversified and loyal is your customer base?

- 1-2: Heavy reliance on one or two key customers
- 3: Moderate concentration
- 4-5: Diverse, sticky, recurring customers

Score

### 4. MANAGEMENT TEAM STRENGTH (1-5)



Can the business operate without you?

- 1-2: Highly dependent on owner
- 3: Some delegation
- 4-5: Strong team; business runs independently

Score

### 5. OPERATIONAL EFFICIENCY & SCALABILITY (1-5)



Are processes efficient, documented, and scalable?

- 1-2: Informal, inconsistent
- 3: Acceptable but improvable
- 4-5: Efficient, documented, scalable systems

Score

### 6. MARKET POSITION & COMPETITIVE ADVANTAGE (1-5)



Is the business clearly differentiated in its market?

- 1-2: Minimal differentiation
- 3: Competitive but not unique
- 4-5: Strong brand, niche strength, USP

Score

### 7. BUSINESS MODEL QUALITY (1-5)



Is the revenue model attractive (recurring, contracted, etc.)?

- 1-2: One-off or transactional
- 3: Mix of repeat and one-off
- 4-5: High recurring, contracted, long-term

Score

### 8. LEGAL, COMPLIANCE & RISK PROFILE (1-5)



How "clean" is the business legally and operationally?

- 1-2: Gaps in contracts, compliance, IP, or disputes
- 3: Mostly in place
- 4-5: Fully compliant, well documented, low risk

Score

### 9. WORKING CAPITAL & CASH FLOW (1-5)



Is the business cash-generative with manageable working-capital needs?

- 1-2: Cash-flow stress or high stock/debtors
- 3: Generally stable
- 4-5: Strong, reliable cash generation

Score

### 10. SYNERGY POTENTIAL FOR A BUYER (1-5)



Would a buyer benefit from cost savings, market expansion, or cross-selling?

- 1-2: Limited buyer synergy
- 3: Some potential
- 4-5: Clear synergy opportunities

Score

### What your score means



**40-50:** High Value & Sale-Ready - Your business is highly attractive. You could enter a sale process soon with confidence.

**30-39:** Solid, but Improvements Will Boost Value - The business is saleable, but 3-5 targeted improvements will significantly increase value and reduce buyer risk.

**20-29:** Needs Preparation Before Sale - A buyer would see risk and discount value. A 12-24 month improvement plan is recommended.

**UNDER 20:** High Risk / Low Value - A sale is possible but unlikely to achieve a strong price. Substantial preparation needed.

Total Score  
Out of 50

## 3. KEY BUSINESS SALE OPTIONS

When planning your exit, it's important to understand the different routes available and how each one affects value, control, people and timing. Every option comes with its own advantages and challenges, so the right choice depends on your goals, your business structure and how you want your transition to look.

The summaries below provide a clear, quick overview to help you compare the main exit paths and decide which is best for you. Rate each option so you know which are contenders for further consideration.



### 1. TRADE SALE - SALE TO ANOTHER BUSINESS

Selling your business to a strategic buyer – often a competitor, supplier, customer, or company looking to expand.

Appeal Rating		
Low	Mid	High

#### Pros:

- Potentially highest valuation if there are strategic synergies
- Faster exit once the deal is complete
- Buyer may bring resources to grow the business further
- Allows the owner to walk away more quickly after handover

#### Cons:

- Cultural clash risk for staff
- May require a longer earn-out period tied to performance
- Customer relationships may be disrupted
- Buyer due diligence can be demanding and time-consuming



### 2. MANAGEMENT BUYOUT (MBO)

The existing management team buys the business, often financed through loans, investors, or staged payments.

Appeal Rating		
Low	Mid	High

#### Pros:

- Continuity for customers, staff and operations
- Buyers already understand the business
- Smoother transition with less disruption
- Allows staged exit, giving owner phased income

#### Cons:

- Management team must have the capability and appetite
- Financing can be complex, and valuations may be lower
- Owner may need to provide some vendor financing
- Transition period may be longer than a trade sale



### 3. EMPLOYEE OWNERSHIP TRUST (EOT)

A structure where a trust is created to buy the business on behalf of the employees. Supported by favourable UK tax legislation.

Appeal Rating		
Low	Mid	High

#### Pros:

- Significant tax benefits
- Protects jobs and culture
- Creates strong employee engagement and loyalty
- Owner can stage the exit gradually

#### Cons:

- Usually requires a strong, stable cashflow to fund purchase
- Valuation is fair-market value, not strategic premium
- Requires robust governance structures
- Not suitable if employees lack interest in ownership



### 4. FAMILY SUCCESSION

Passing the business to children or family members through sale or gifting.

Appeal Rating		
Low	Mid	High

#### Pros:

- Maintains family legacy and continuity
- Familiar leadership for customers and staff
- Can be structured tax-efficiently
- Flexibility in timing and transition

#### Cons:

- Family dynamics can complicate decision-making
- Successor may lack capability or motivation
- Hard conversations about fairness between family members
- Valuation and financial return may be lower



### 5. PARTIAL SALE / INVESTOR (PRIVATE EQUITY OR MINORITY STAKE)

Selling a portion of your business to an investor, often to fund growth or de-risk personally.

Appeal Rating		
Low	Mid	High

#### Pros:

- Allows owner to take some money out while staying involved
- Investor brings expertise, networks and growth capital
- Potential for a larger future exit if the business scales
- Can maintain leadership continuity

#### Cons:

- Owner gives up some control and decision-making autonomy
- Investor expectations can increase pressure
- Governance & reporting requirements become more formal
- Next exit depends on investor timelines

## 4. BUSINESS SALE PLANNING CHECKLIST

Selling your business is a major step, and good preparation makes all the difference. This checklist highlights the essential actions to strengthen your business, boost its value and ensure a smooth, well-planned exit. Use it to quickly assess where you stand and what to focus on next.

### 1. CLARIFY YOUR GOALS

- ☐ Define personal and financial goals
- ☐ Set your ideal exit timeframe
- ☐ Decide full or partial exit
- ☐ Define what a "successful exit" looks like

### 2. CHOOSE YOUR EXIT ROUTE

- ☐ Trade sale
- ☐ Management Buyout (MBO)
- ☐ Employee Ownership Trust (EOT)
- ☐ Family succession
- ☐ Partial sale / investor

### 3. STRENGTHEN YOUR FINANCIALS

- ☐ Clean, accurate accounts (3+ years)
- ☐ Improve margins & cashflow stability
- ☐ Prepare forecasts and KPIs
- ☐ Fix financial red flags

### 4. REDUCE OWNER DEPENDENCY

- ☐ Delegate operations & decision-making
- ☐ Strengthen management team
- ☐ Document key processes
- ☐ Build a business that runs without you

### 5. BUILD A TRANSFERABLE BUSINESS

- ☐ Solid team structure
- ☐ Standardised processes & systems
- ☐ Clear value proposition
- ☐ Diversified customer base

### 6. ENSURE COMPLIANCE & HOUSEKEEPING

- ☐ Review contracts and legal documents
- ☐ Protect IP and trademarks
- ☐ Resolve disputes or liabilities
- ☐ Ensure GDPR and regulatory compliance

### 7. MAXIMISE VALUE DRIVERS

- ☐ Strong leadership and culture
- ☐ Reliable recurring revenue
- ☐ Long-term contracts / retention
- ☐ Low risk profile and stable performance

### 8. PREPARE YOUR SALE STORY

- ☐ Clear narrative of growth opportunity
- ☐ Transparent view of strengths and risks
- ☐ Simple information pack for buyers

### 9. BUILD YOUR EXIT TEAM

- ☐ Corporate Solicitor
- ☐ Accountant
- ☐ Tax adviser
- ☐ M&A finance adviser / broker

### 10. PLAN THE TRANSITION

- ☐ Define handover role and timeline
- ☐ Prepare staff communication plan
- ☐ Protect culture and customer confidence
- ☐ Plan your post-exit next chapter

*Top Tip:* DON'T WAIT - PLAN EARLY



# NEXT STEPS



1. Evaluate



2. Plan



3. Launch / Execute

## MAXIMISE THE EARLY-PLANNING ADVANTAGE:



More Choice



Greater Control



Reduced Risk



Increased Valuation





## Accelerate Profitable Growth

Unlock new revenue opportunities, improve efficiency, and build a business that grows sustainably and confidently.



## Build High Performing Teams

Strengthen leadership, boost motivation, and create a culture where people thrive and deliver exceptional results.



## Design & Deliver Winning Strategies

Transform vision into action with clear, practical strategies that drive performance and lasting success.

# UNLOCKING LASTING SUCCESS



## BOOK A FREE 1-2 HOUR STRATEGY & GROWTH CONSULTATION

[phil@pgriffinconsulting.co.uk](mailto:phil@pgriffinconsulting.co.uk)

07832 694331

[pgriffinconsulting.co.uk](http://pgriffinconsulting.co.uk)

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## Q&A

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# THANK YOU

Resources, materials and tools available at:  
[pgriffinconsulting.co.uk/resources](https://pgriffinconsulting.co.uk/resources)

