

THE END GAME:

Planning Your Business Exit with Confidence



Business Toolkit Event
29th January 2026



Presented by Phil Griffin

AGENDA

THE END GAME: Planning Your Business Exit with Confidence

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

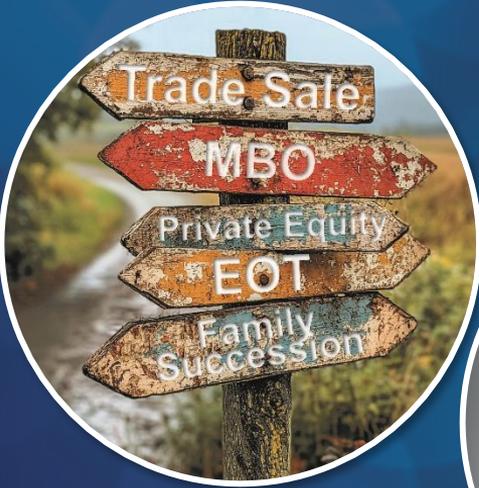
NEXT STEPS – Planning steps to take now

Q&A – Your chance to ask specific questions

Note: A link to download the full set of slides will be shared at the end, so there's no need to take detailed notes.



WHAT YOU'LL GAIN



A clear understanding of the main exit route options



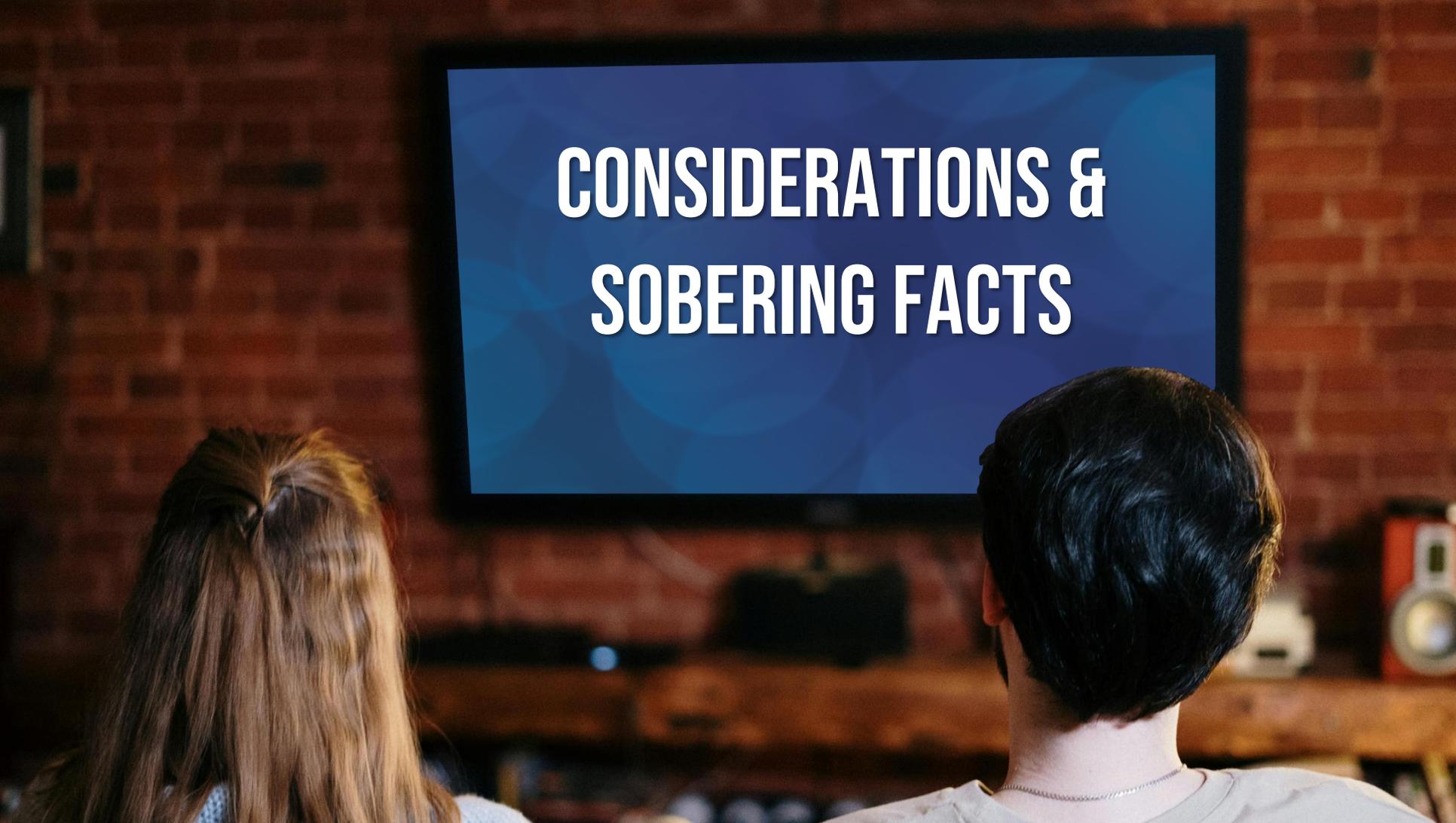
Insight into the key drivers that increase business worth and reduce risk



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, sitting in front of a large screen. The screen displays the text 'CONSIDERATIONS & SOBERING FACTS' in white, bold, uppercase letters on a blue background. The setting appears to be a room with a brick wall and a wooden bar counter 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, helping you 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 profitable property management company operating across domestic & commercial markets, founded 29 years ago by a husband-and-wife team, with annual revenue just under £1m.

The Ambition

- Owners planned to retire to France
- Renovating an old mill as their retirement home

The Exit Plan

- Intended Management Buyout (MBO)
- Led by their daughter, already working in the business
- Strong operational experience across multiple roles

What Went Wrong

- Exit plan lacked detail and key risks were not identified early
- Daughter's credit rating prevented lender support

The Impact

- Sale could not proceed
- Parents still own the business
- Retirement plans and renovation left unfunded



MORE CHOICE



GREATER CONTROL



HIGHER VALUATION



LOWER RISK



WHAT IS YOUR BUSINESS WORTH?

How to value your business

Most common method for SMEs and Mid-Market:

EBITDA Multiple

WHAT IS YOUR BUSINESS WORTH?

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

2. Calculate normalised EBITDA (adjusted for one-off costs, owner salaries taken above market rate, personal expenses, etc.).

3. Apply a typical UK sector multiple:

- Small service businesses: 2 - 4x normalised EBITDA
- 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 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



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

PRIVATE EQUITY INVESTMENTS

- PE accounts for **25%** of UK M&A deals (Source: KPMG)
- **13,000** UK companies backed by PE/VC, employing **2.5M+ people** (Source: BVCA)

Risks / Drawbacks

- Debt-financed buyouts can increase risk of financial distress
- Some PE owners cut headcount, benefits, or assets, potentially harming morale or causing job losses

Benefits for businesses

- Access to growth capital for scaling, new markets, or NPD
- Sector experience, improved governance, reporting, and operational support
- Often see higher productivity, investment, and employment growth

Advantages for founders

- Opportunity to de-risk via cash extraction while retaining equity
- PE can support management buyouts and succession planning

PRIVATE EQUITY SUCCESSES



Before PE: Regional pet retailer with solid but limited scale

PE involvement: Acquired by Bridgepoint (2004)

Afterwards: National store rollout, professionalised management and supply chain. Successful IPO in 2014

Why it worked: Clear growth strategy, strong brand, and PE investment focused on scale, not cost-cutting.



Before PE: Fast-growing but capital-constrained SME

PE involvement: Early-stage PE and growth capital before Coca-Cola acquisition

Afterwards: Significant UK and international growth. Expanded into hotels & premium retail

Why it worked: Growth capital and commercial rigour without killing the entrepreneurial culture.



Before PE: Founder-led UK coffee chain

PE involvement: Backed by multiple PE firms over time

Afterwards: Significant UK and international growth. Expanded into hotels and premium retail concepts

Why it worked: PE supported long-term brand building and operational scaling

EOTs ARE ON THE INCREASE

UK growth:

- 19 EOTs in 2018 → **2,470** by mid-2025
- 2024 alone: **560** companies transitioned to employee ownership

Workforce impact:

- **358,000** people now employed in EOTs across sectors like professional services, manufacturing, and construction

Profit & Productivity boost:

- EOT-owned companies are **8–12%** more productive than non-EOT firms (gross value added per employee)
- EOBs **25%** more likely to report profit growth over five years

Employee satisfaction:

- **70%** report higher job satisfaction than in traditionally owned companies

Staff retention:

- Many EOTs see staff turnover drop from circa 25% to **single digits**

CASE STUDY: A POOLE-BASED EOT SUCCESS STORY

Grapevine, a full-service IT provider in Poole, has spent 34 years delivering IT support, connectivity, cyber security, phone systems, mobile solutions, and Microsoft 365 to businesses across the region.

- 2023: Founders retired and transitioned business to an Employee Ownership Trust (EOT)
- Transfer included careful planning, strong governance, and the right leadership structure

Employee benefits:

- Increased engagement, job security, and focus on client delivery

Business results:

- Continued innovation, strong growth, and profitability
- On track to repay former owners well ahead of the six-year plan

Recognition:

- Named EO Rising Star of the Year 2025 by the UK Employee Ownership Association



“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

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?

Desire & Motivation:

“Do they want the role?”

Capability:

“Do they have the skills to succeed?”

Leadership & Culture:

“Are they a good cultural fit?”
“Will the team respect them?”

Strategic & Commercial Skills:

“Are they strategic?”
Do they understand the sector, customers & finances?”

Family businesses:

“Can you balance family expectations, capability, and fairness?”

EOT transitions:

“What governance & alignment structures are needed?”

Support & Development:

“Can gaps be addressed with training or a supporting team?”



WHAT LEADERSHIP IMPACT WOULD DIFFERENT SALE TYPES REQUIRE?

Trade Sale:



- Will the buyer need you or another leader to continue running the business?
- Is the business likely to be integrated into the buyer's existing operation?
- What happens to your current team?

Investor / Private Equity Sale:

- How long will you be expected to stay on and run the business?
- Do the investor's expectations align with your personal and financial goals?
- Can leadership be promoted internally, or will an external hire be required?



ROADMAP TO EXIT

ROADMAP TO EXIT



PRACTICAL TOOLS



The End Game: Planning Your Business Exit with Confidence



Toolkit Event Workbook

Dorset Chamber
Ling Road
Poole BH12 4NZ

www.dorsetchamber.co.uk
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1. BUSINESS SALE GOALS WORKSHEET

Clarifying what you want your sale to achieve

STEP 1 – DEFINE YOUR DESIRED OUTCOMES Rate how important each goal is to you on a scale of 1-5 (1 = Not important, 5 = Essential to a successful sale).

1. Financial Return	Achieving the value you want, strong upfront payment, and a structure that supports your long-term financial security.	1	2	3	4	5
2. Your Future Lifestyle & Plans	Funding retirement, freeing up time, moving on to a new venture, or simply reducing stress.	1	2	3	4	5
3. Business Legacy	Ensuring the business continues to thrive, preserving values, and maintaining reputation.	1	2	3	4	5
4. Team Continuity & Wellbeing	Protecting jobs, looking after loyal staff, and choosing a buyer who will invest in your people.	1	2	3	4	5
5. Right Type of Buyer	A buyer that will achieve alignment with your preferred outcome.	1	2	3	4	5
6. Minimising Your Ongoing Involvement	How quickly you want to step back – immediately, phased, or remaining in an advisory role.	1	2	3	4	5
7. Timing of the Sale	When you ideally want to complete: immediately, this year, or within a longer timeframe.	1	2	3	4	5
8. Smooth Process & Low Disruption	A sale process that is well-managed, confidential, and doesn't impact performance.	1	2	3	4	5
9. Tax Efficiency & Net Proceeds	Maximising how much you keep after tax, including use of Business Asset Disposal Relief where applicable.	1	2	3	4	5
10. Emotional Readiness & Confidence	Feeling personally ready, supported, and clear about what happens after the sale.	1	2	3	4	5

STEP 2 – YOUR TOP PRIORITY GOALS

From step 1, identify the 3-5 goals that matter most to you:

- _____
- _____
- _____
- _____
- _____

STEP 3 – CHALLENGE IDENTIFICATION

For each priority, consider what challenges need to be overcome:

STEP 4 – YOUR PERSONAL DEFINITION OF A SUCCESSFUL SALE

Complete the sentence:

"A successful sale, for me, means..."

P. GRIFFIN

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07832 694331

Book your free consultation to discuss and strengthen your exit plan

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.



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.



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.



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 returns 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

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 & Strengthen



3. Launch / Execute

MAXIMISE THE EARLY-PLANNING ADVANTAGE:



More Choice



Greater Control



Reduced Risk



Increased Valuation



Accelerate Profitable Growth

Create new revenue opportunities, improve cashflow, increase productivity, and build businesses designed for sustainable, confident growth.



Build High-Performing Teams

Strengthen leadership capability, improve collaboration, and create a culture of accountability and engagement where people thrive and deliver exceptional results.



Design & Deliver Winning Strategies

Transform vision into action by working with leaders to create clear, practical strategies that provide direction, build confidence, and drive lasting performance.



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Q&A

Resources, materials and tools available at:
pgriffinconsulting.co.uk/resources



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THANK YOU

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