# Business Exit Readiness Checklist

Is Your Business Ready for the Day You Decide to Leave?

*A Practical Guide to Preparing Your Business, Finances, and Personal Wealth for a Successful Transition*

OAKWOOD SUMMIT

INTRODUCTION

# Your Exit Strategy Starts Long Before You Sell

Most business owners spend **decades building** something remarkable — yet only months preparing to leave it. That gap can cost you significantly in value, taxes, and personal peace of mind.

Early, coordinated planning can increase your business's attractiveness to buyers, reduce transaction-related stress, and open doors to options you didn't know existed.

> This guide is educational and should not replace personalized legal, tax, or financial advice.

SECTION 1 OF 5

# Business Readiness

Buyers pay premiums for businesses that run well — with or without the owner. Here's what well-prepared businesses have in place:

- ☐ Up-to-date financial statements (last 3 years)
- ☐ Consistent, documented profitability
- ☐ Written operating procedures and SOPs
- ☐ Diversified customer base — no single client over 20%
- ☐ Strong management team capable of independent operation
- ☐ Reliable reporting systems and clean books

SECTION 2 OF 5

# Financial Readiness

Preparing to exit isn't just about the business — it's about **your personal financial future.** Owners who prepare both sides of the equation create far more favorable outcomes.

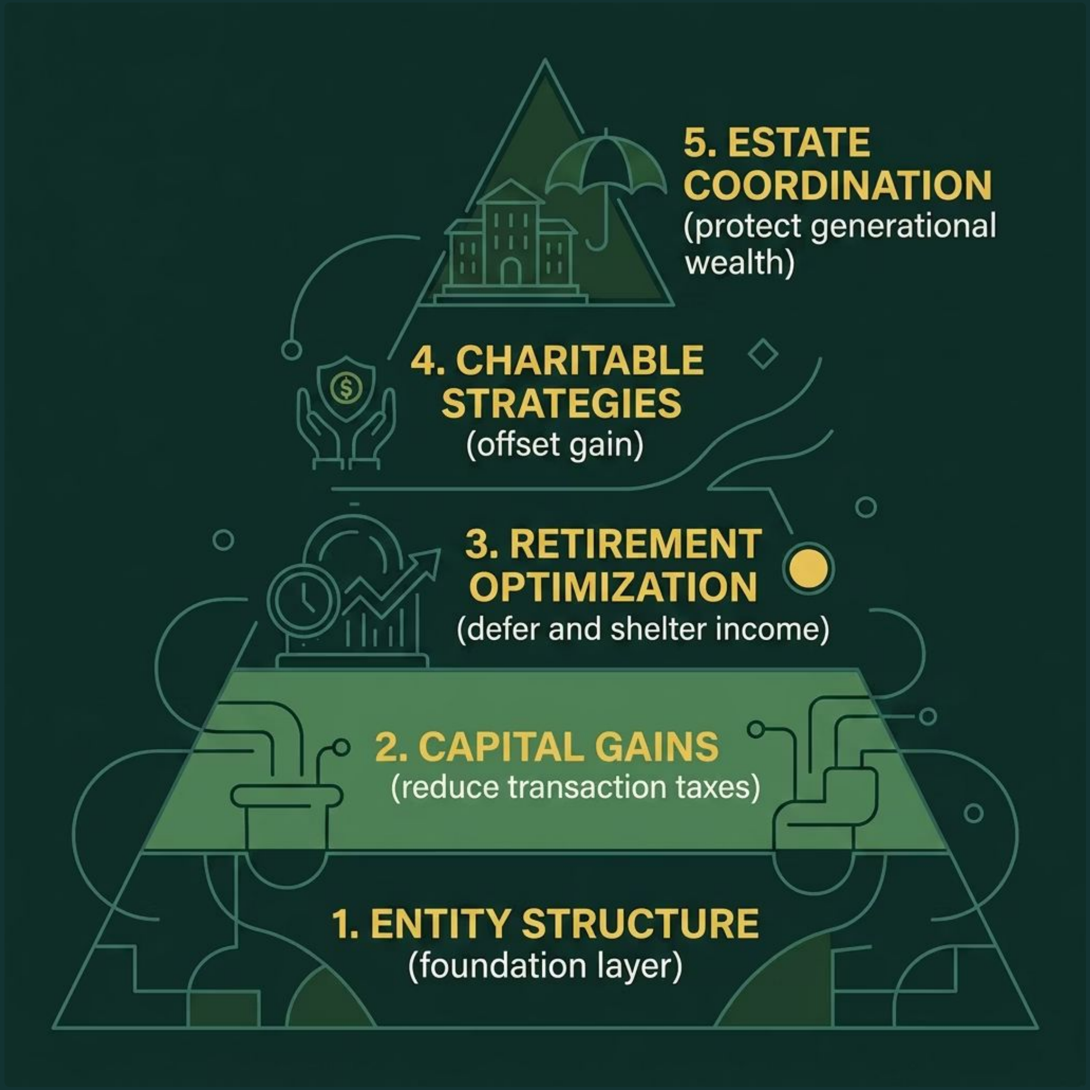
- ☐ Personal retirement goals clearly identified
- ☐ Retirement income plan established and stress-tested
- ☐ Business valuation completed (formal or informal)
- ☐ Personal net worth statement reviewed
- ☐ Cash flow projections updated post-exit
- ☐ Tax strategy reviewed with a qualified advisor

Many owners discover their business *is* their retirement plan — understanding that concentration risk early is critical.

# Tax Planning

Taxes are often the **largest single cost** of a business sale. Proactive planning — ideally years before a transaction — can meaningfully reduce what you owe and protect more of what you've built.

- ☐ Entity structure reviewed for tax efficiency
- ☐ Capital gains planning discussed with advisor
- ☐ Retirement plans optimized (Solo 401k, DB plan, etc.)
- ☐ Charitable giving strategies evaluated
- ☐ Estate plan coordinated with exit timing
- ☐ Year-of-sale tax strategy modeled in advance





# Legal & Succession Planning

Who takes over — and under what terms — is one of the most consequential decisions you'll make. Clarity here protects your legacy, your family, and your employees.

- ☐ Buy-sell agreement reviewed and updated
- ☐ Ownership documents and operating agreements current
- ☐ Successor identified (internal, family, or external)
- ☐ Family transition plan discussed and documented
- ☐ Key contracts and vendor agreements organized
- ☐ Estate documents (will, trusts, POA) reviewed

# Risk Management

Business value can erode quickly if key risks go unaddressed. Protecting what you've built means putting the right safeguards in place **before** you need them.

### Key Person Insurance

Coverage reviewed and adequate for the business's reliance on key leaders

### Disability Coverage

Owner disability protection evaluated — business and personal income

### Business Continuity

Documented plan for operations if an owner becomes unavailable

### Cybersecurity

Data security and breach protocols reviewed with IT or specialist

### Asset Protection

Strategies discussed to shield personal and business assets from liability

# Exit Readiness Scorecard

Review each section and rate your current preparedness. Use this scorecard to identify your highest-priority planning gaps before speaking with an advisor.

| Planning Area | ✅ Green — Ready | 🟡 Yellow — In Progress | 🔴 Red — Not Started |
|---|---|---|---|
| Business Readiness | All 6 items complete | 3–5 items complete | 0–2 items complete |
| Financial Readiness | All 6 items complete | 3–5 items complete | 0–2 items complete |
| Tax Planning | All 6 items complete | 3–5 items complete | 0–2 items complete |
| Legal & Succession | All 6 items complete | 3–5 items complete | 0–2 items complete |
| Risk Management | All 5 items complete | 3–4 items complete | 0–2 items complete |

### 🟢 Mostly Green

Business appears well-positioned. Focus on fine-tuning and timing.

### 🟡 Mixed Results

Several planning opportunities should be reviewed with an advisor soon.

### 🔴 Mostly Red

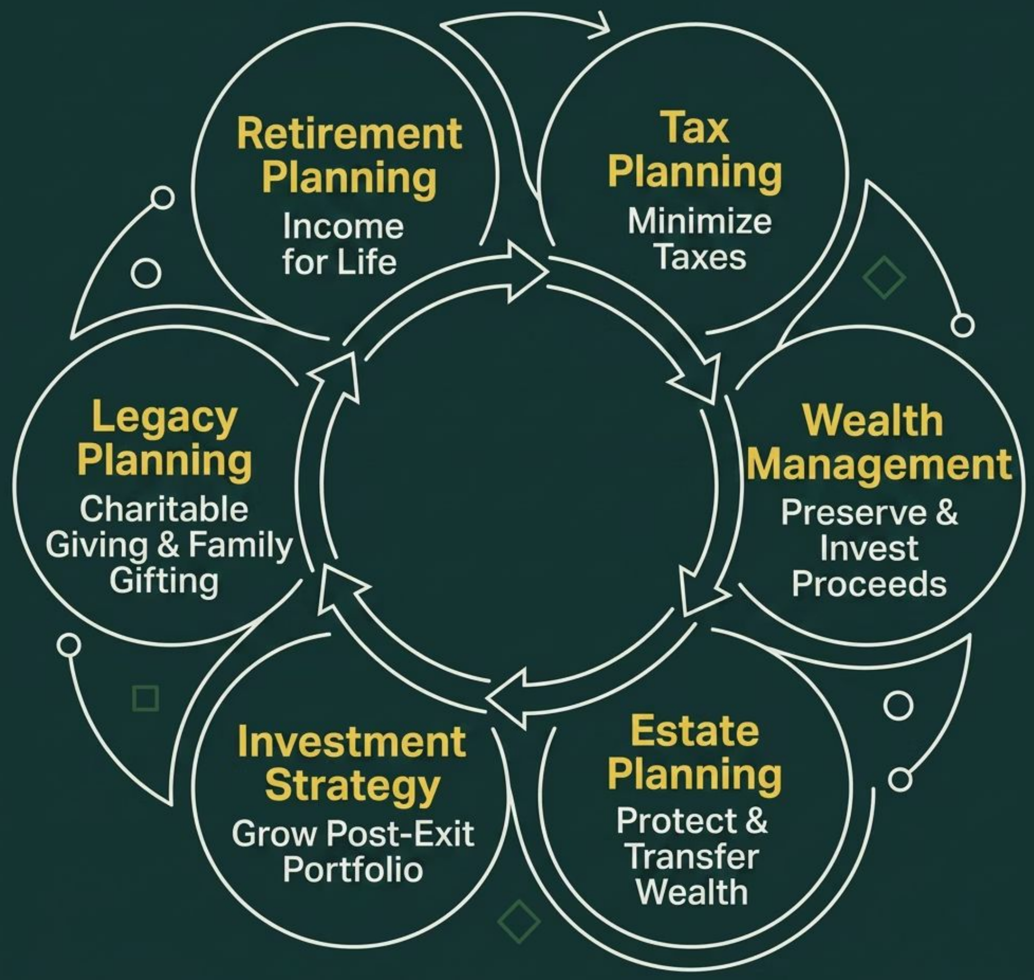
A comprehensive exit planning review is strongly recommended before moving forward.

THE BIGGER PICTURE

# Exit Planning Is About More Than Selling a Business

A truly successful exit means arriving on the other side financially secure, tax-efficient, and clear about what comes next. That requires coordinating across every dimension of your financial life — not just the transaction itself.

Think of your exit as the **centerpiece of a broader wealth strategy**, connecting retirement, legacy, and long-term financial independence.



# How Ready Is Your Exit Strategy?

Oakwood Summit helps business owners evaluate their full picture — before, during, and after a transition. Our **Business Owner Tax Savings Assessment** is a complimentary starting point to identify gaps and opportunities across:

### Exit Readiness & Succession

Evaluate where your business and personal plan stand today

### Tax Planning Opportunities

Identify strategies to reduce your tax burden before and after the sale

### Retirement & Wealth Preservation

Coordinate retirement income, investment strategy, and estate planning

> The best exits don't happen by accident — they're built through thoughtful planning years in advance.

**Schedule Your Business Owner Tax Savings Assessment**

**Oakwood Summit** — Helping Business Owners Keep More, Grow More, and Plan with Confidence.