



Exit Strategy Options

There are a variety of options when it comes to an exit strategy, depending on the size of your business and your future plans for participating in the business. Below find below a quick summary of the benefits of the more common options that one may wish to consider.

1. Merging with another company

- a) The merged company should be able to benefit from economies of scale between the two organizations that would result in greater profitability.
- b) This is an ideal way to quickly capture much greater market share.
- c) Merging with another company may also provide a way to diversify offerings.
- d) A merger may be a way to bring complimentary skills together making for a stronger overall employee base.

2. Strategic Acquisition by another company

- a) This may be the best way for a seller to fully exit business in the event the company is too large for the average individual buyer.
- b) May offer employees additional opportunity for growth.
- c) This approach may offer the seller a future opportunity to stay in with the company after having cashed out from the sale. Perhaps the Seller wants to reduce the burden of ownership but isn't ready to fully exit the business.
- d) There may be tax advantages when it comes to stock exchanges.

3. Private Equity

- a) This option often offers sellers the best of both worlds – take “chips off the table” and also have future upside earnings if only selling a percentage of the business.
- b) Capital can be provided for growth plans.
- c) The Seller's Management team may be an integral part of the future of the company.
- d) Most private equity firms have specific criteria for the size of companies they desire to acquire.

4. Outright Sale to 3rd Party individual

- a) This may be the only viable option depending on the size of your company.
- b) This option typically provides the Seller with the cleanest and quickest “exit” from the business.

VR Business Brokers will be happy to meet with you and discuss these various options to help you assess the most viable for your circumstances.