

# Your business needs an exit strategy

## 4 things to consider

Creating a succession plan can be confusing, complex, and emotional as you consider leaving behind the business you've worked hard to build.

Wherever you are in your career, **the sooner you start planning, the better your outcomes are likely to be.**

Here are four things to consider when it comes to creating an exit strategy for your accounting business:

### STEP 1

## Identify potential successors

When considering potential successors, some of your options include family or an existing employee or team member, or selling or merging with another firm.

# 38%

of business owners plan for a **family member to take over their firm**

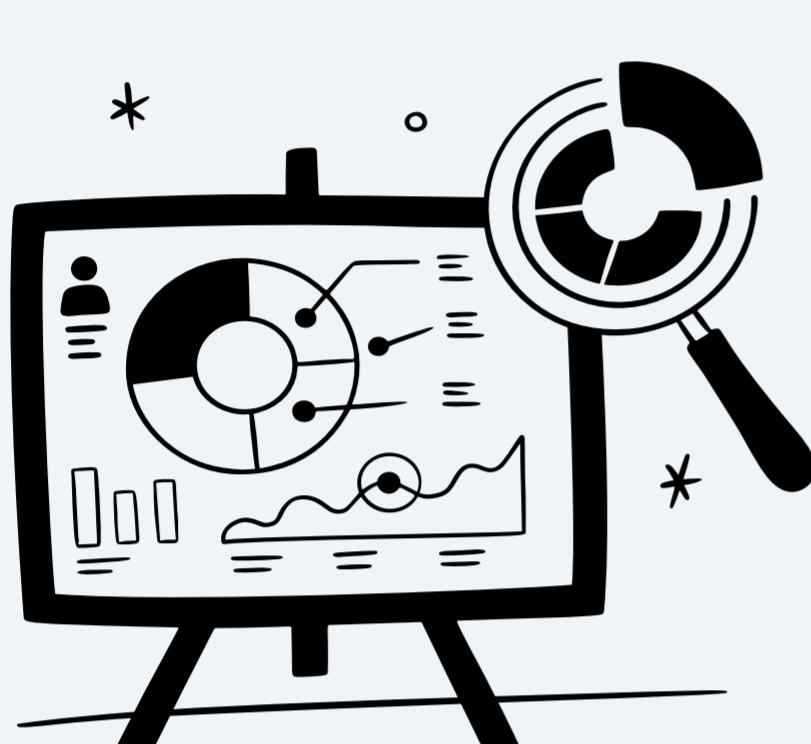
# 22%

of business owners plan to **sell their firms outside the family**

# 11%

of business owners plan to **merge with another firm\***

\*According to a survey by the American Institute of CPAs (AICPA), 2020



**Keep in mind:** These numbers represent intent, not reality. A study by SCORE found that only **20% of small business owners who try to sell their business are successful** (SCORE, 2019).

### STEP 2

## Value your business

A professional, third-party business valuation can provide insight into the fair market value of your business and help with the development of a succession plan, but most small business owners haven't done the leg work to know their value.

# 29%

of small business owners have had a formal business valuation done

# 72%

**don't know the value** of their business\*

\*According to a survey by SCORE, 2019.

### STEP 3

## Generate a Plan

Once potential successors have been identified and the business has been valued, you can create your plan for a smooth transition, including a timeline for the transfer of ownership, financial responsibilities, and day-to-day operations.



# 62%

of business owners don't have a formal transition plan in place\*

\*According to a survey by the Exit Planning Institute, 2020

### STEP 4

## Communicate with your clients

You've built relationships on trust, your competencies, and your good name over your career. By communicating early and often about your plans for the future of your business, you can address and alleviate any concerns your clients may have.

# 52%

of business owners without a succession plan in place were unwilling to discuss it with clients, **making clients feel uncertain and uncomfortable\***



\*According to a survey by Wilmington Trust, 2019

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