YOUR EXIT OPTIONS: SELL, MERGE, PASS DOWN OR KEEP

The main ways owners leave a business, who each one suits, and what each means for money and control.

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AT A GLANCE

- Common exits: **sell to an outside buyer**, **sell to private equity**, **merge**, **pass to family**, **sell to employees or managers**, **keep it and step back**, or **close it**.
- Each option trades off **price, speed, control and legacy** differently.
- The right choice depends on your goals for money, your people and what happens to the business after you.

Why it matters

Knowing your options early lets you build the business toward the exit you want. A business meant to pass to family needs different preparation than one built to sell to a large company.

Your options

Option	How it works	Often good for	Trade-offs
Sell to an individual buyer	Another person buys and runs it	Small main-street businesses	Buyer often needs a loan; may ask you to finance part
Sell to a strategic buyer	A company in your industry buys it	Businesses that add customers, locations or technology to the buyer	Can pay more; your brand or team may change
Sell to private equity	An investment firm buys most or all	Profitable, growing businesses	You may keep a stake and stay on for a few years. See **X-08 Selling to Private Equity**.
Merge	Combine with a similar business	Owners who want scale but not a full exit	Shared control
Pass to family	A family member takes over	Owners with a willing, capable successor	Fairness among children, taxes, readiness. See **X-09 Passing the Business to Family or Employees**.
Sell to employees or managers	Managers buy it, or an employee stock ownership plan (ESOP)	Owners who want to reward their team	Often paid over time. See **X-09 Passing the Business to Family or Employees**.
Keep it and step back	A manager runs it; you remain an owner	Owners who want income without daily work	You keep the risk
Close it	Sell assets and wind down	When no buyer or successor exists	Usually the lowest value

Questions to decide

1. **How much do you need** from the business to support your next chapter?
2. **When do you want to leave**, and how involved do you want to stay?
3. **What matters to you** about your employees, customers and name after you leave?
4. **Who are the likely buyers or successors?**
5. **How much risk** will you accept, such as being paid over time?

> EXAMPLE
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> **Tasha**, owner of three salons, listed her goals: enough money to buy a home outright, her stylists keep their jobs, and her name stays on the door. A competitor offered the highest price but planned to rebrand. Her two managers offered less, paid over 5 years with a bank loan and seller financing. She chose the managers and kept a small ownership stake for income.

Common mistakes

- **Only considering the highest price.**

- **Assuming a family member wants the business.**
- **Not considering taxes** on each option. See **X-10 Taxes When You Sell**.
- **Deciding too late** to prepare for your chosen path.

Your checklist

- ☐ Write your goals for money, timing, people and legacy
- ☐ Rank the options against your goals
- ☐ Talk with family, partners and key managers
- ☐ Ask an advisor how each option affects your taxes

Where to go next

- **X-03 How Businesses Are Valued When They're Sold**
- **X-09 Passing the Business to Family or Employees**
- **X-08 Selling to Private Equity**

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