

# Surprise is a seller's worst enemy

If you're thinking of selling your business, you want to avoid any unexpected pitfalls. Daniel Wood of wealth manager 7IM explains why a meticulously planned and crafted exit strategy should live alongside any other high-priority strategies you might have for your business.

A business usually starts as an idea and revolves around plans focused on growth. Just as there are certain definable steps in the lifecycle of a business, there are also certain milestones that define the life of a business owner. One of those is succession.

Whether you would like to sell your business or keep it in the family, an exit plan is as important as a personal financial plan.

Just as a poor business sale plan can fail to do justice to your hard work and dedication, inadequate or late financial planning could compromise your retirement ambitions. You want to make sure you're fairly rewarded for your efforts.

But, when you're focused on growing your business, there is so much to look after. Prioritising tasks to see the business flourish often leads to neglecting tasks that impact your personal life, such as building a personal financial plan, pre and post business sale.

## Engage a financial planner

The best strategy to prepare for any eventuality is to consult a specialist who understands your passion and can help you implement a structured personal financial plan.

This is what a financial planner does. Even if you don't yet have any plans to sell your business, a financial planner's expertise and experience can help ensure your personal finances are structured efficiently to meet your short, medium and longer term personal objectives.

A financial planner understands that your life changes significantly once you sell your business and can help you prepare for this change.

Before starting the sale process, you should have a clear understanding of the following:

- Rates and reliefs: make sure you're putting yourself in the most tax-efficient position when planning your exit, using your allowances for both personal and business benefits
- Retirement planning: take proceeds from the business sale that will allow you to sustain the lifestyle you would like when you retire, while making sure you can also leave a legacy for future generations if that is part of your ambitions
- Keep an eye on the business: if you'd like to keep the business in the family, a strong succession plan can help streamline the transition and help you understand the conversations you should have to make this happen.

This list should be much more comprehensive than the bullet points above. Speaking to a financial planner will help you refine your personal and professional goals and enable you to stress-test the scenarios around your ambitions, so you can make the best possible decisions.

Sometimes, during busy periods, you may feel like your business controls your life. But the last thing you want is for your business to control your decisions.

The best exit strategy will target what is best for you and the business. Working with a financial planner to achieve your long-term plans will enable you to avoid the worst possible scenario: an encounter with the unexpected.

### Contact us

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