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An ExitSmarts Whitepaper
Practice-in-a-Box

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Exit Planning Practice-in-a-Box

It's an unsettling thing to invite an advisor or mentor to look at your business model with a highly critical eye, citing both the strengths and the flaws, but that's exactly what my business partner and I did in August. Near the end of our session, the whiteboard was filled with an image of our model, congested with notes and highlighted with encircled areas of focus and opportunity.

At that point, one of our advisors walked to the whiteboard and wrote the words *practice in a box*. "What you're really talking about here," he offered, "is delivering an Exit Planning Practice-in-a-Box."

We had never thought about our business in those terms, but the observation made sense.

This whitepaper is designed to answer a question – Can an Exit Planning Practice-in-a-Box be *of value* to professional Advisors and their Business Owner clients?

Practice refers to the Advisor's practice or firm. *In-a-Box* means that the contents are complete, packaged, and ready for immediate use – in other words, *turnkey*.

The structure of this paper is as follows:

Identify the Need – First, identify the need for a Practice-in-a-Box solution in Exit Planning. In order to do this, I'll examine current realities in the Business Owner community, as well as those in the community of Advisors who serve Owners in various capacities. I'll also look at the condition of the Exit Planning industry, and specifically why it has expanded only marginally in the last decade.

Identify Where Needs Intersect – Then, I'll look at what Business Owners want, what Advisors want, and the extent to which they both want the same thing.

Create a Checklist – Next, I'll create a checklist of the things that must be included in a Practice-in-a-Box in order for it to be the foundational system for Owners and Advisors alike.

Compare the ExitSmarts Solution – Finally, I'll compare the ExitSmarts Practice-in-a-Box to the items on the checklist.

Exit Planning Practice-in-a-Box

The world of Exit Planning can be an intimidating place, especially for Business Owners.

To begin with, Exit Planning is difficult to define because it's different for every Owner.

Next, it necessitates the use of professional Advisors from different disciplines, even in the most basic of exits.

And last, many of the problems with Exit Planning that experts cited a decade ago are still problems today.

Let's look at all three.

The Definition of Exit Planning – The Owner and the Company

At its most fundamental level, Exit Planning is the process in which a Business Owner and his or her Advisors engage once the Owner has raised the possibility of leaving the business. It sounds simple, but the complexity is in the specifics, and at the highest level, the specifics can be expressed as the owner's five Ws:

- **What** is the Owner's vision for exiting, both during the process and after the process is complete?
- **When** is the Owner planning to exit? Does he or she have a set timeframe in mind, and if so, how was that timeframe developed?
- To **Whom** is the Owner planning to sell? Does he or she have a particular buyer in mind – an identified individual – or a particular type of buyer – a family member, competitor, or a company that represents a strategic fit?
- How much does the Owner need to realize from the sale? At ExitSmarts, we express this as **Wampum**, which is a Native American term for something of significant personal value, and both the definition and the alliteration work here. Asked another way, "What's the Owner's number?
- **Why** does the Owner want to exit in the first place? What's his or her motivation? Age? Burnout? A desire to do something else? A stalled economy? An offer that's too good to be true?

It can be challenging enough to quantify these Ws at the beginning of the process, but the challenge is often exacerbated by the fact that one, some, or all of them will change frequently during the Exit Planning process.

The profiles of both the Owner and his or her company also inform the definition of Exit Planning in each specific case.

Is the Owner a Baby Boomer in his or her mid-70s with a short time horizon for exiting?

Is the Owner a GenXer with a longer time horizon and the flexibility to change course in the middle of the Exit Planning process, if changing results in a more attractive process?

Is the Owner a Millennial with an undefined time horizon but the desire to move on to the next thing, whatever that may be?

Is the company a lifestyle business, defined as a business that exists for the financial benefit of its founder or Owner, or is it scalable, defined as a business that is structured to expand consistently, with or without the involvement of a particular individual?

Will multiple stakeholders be involved in the sale of the company? Are there multiple Owners, family members, or closely involved employees?

To what extent is the success of the company dependent on a single individual, a single or small set of customers, or a single or small set of vendors?

The Definition of Exit Planning – The Need for Professional Advisors

Advisors from different disciplines may potentially be involved in a specific Exit Planning process, including:

- Wealth Managers
- Financial Planners
- Accountants
- Attorneys
- Bankers
- Insurance Brokers
- Business Brokers
- Value Advisors

Please note: One or some of them *may* be involved in a specific exit, but seldom will all of them be involved, especially in businesses under $30 million in revenue.

On the positive side, having an Advisor from a specific discipline provides the expertise and experience the Business Owner requires.

On the negative side, individual Advisors may not see or have access to the big picture or, even worse, be team players.

There is a clear need for oversight, and that can only come from an Advisor who knows and understands the Owner and his or her business. An Advisor may become a Most Trusted Advisor by guiding an Owner through the Exit Planning process, but in many cases, the Advisor will be the Owner's Most Trusted Advisor prior to the process.

The Definition of Exit Planning – The Condition of the Industry

It would be unfair to say that the science and art of Exit Planning haven't advanced in the last decade, because they have. But the fact remains that many of the problems experts cited ten years ago remain problems today.

- Seventy percent of all companies with more than one employee are owned by people who are 53 or older. That percentage will only increase as an additional 8,000 people turn 65 each day. They're not all Business Owners, of course, but the number confirms that the demographic is becoming increasingly crowded.

…most experts would probably agree that the Exit Planning industry should have advanced farther than it has over the past decade.

- Forty-eight percent of Owner's who say they want to sell have no exit plan. That number is up in the last ten years, but it's still daunting considering that there are six million privately owned businesses in the United States.
- Fifty-eight percent of Business Owners have never had their businesses formally appraised. Said another way, they don't know their number.
- Only 20% of businesses that go up for sale will eventually sell.
- If there's $10 trillion in wealth locked up in this country's businesses and only 20% of them will eventually sell, $8 trillion in wealth will go unrealized.

Whether or not the Exit Planning industry has advanced is debatable, but most experts would probably agree that it should have advanced farther than it has over the past decade.

The Definition of Exit Planning – Summary

In the context of the preceding, it's reasonable to assume that there's something missing in Exit Planning – some disconnect between what the universe of Business Owners needs and the galaxy of professional Advisors provides. Let's look at both.

The Universe of Business Owners

There is a significant discrepancy between the number of Owners who eventually want to sell their businesses and the number of people who will be available to buy them. It's simple math – there are more Baby Boomers than GenXers, and more GenXers than Millennials. And if the math isn't enough to define a buyer's market, there are important generational characteristics that make later generations less likely to buy companies. All things considered, Business Owners should be scrambling to get their Exit Planning ducks in a row, regardless of their time horizon for exiting.

Experts quote different numbers, but most believe that a Business Owner should begin working on his or her exit at least two to five years before the actual event. Others say that an Owner should spend half of his or her time preparing for a successful exit. Most Owners do neither. The obvious question is – Why? If the competition is predictably intense and an Owner has so much at stake, why isn't Exit Planning a higher priority? Here are a few answers:

- What the Owner believes about Exit Planning is based on personal opinions, preconceived notions, advice from peers, or information about similar companies. These things should certainly be considered, but none of them should be the basis for an exit plan.

- The Owner doesn't understand nearly enough about Exit Planning. Understanding as much as possible is essential so that nothing of vital importance is overlooked.
- The business isn't ready to be sold. Financial processes aren't effective and financial documents aren't accurate and current. The business is owner-centric, or too dependent on the owner. The business is too dependent on one or two customers for its top-line revenue.
- The subject of Exit Planning isn't top-of-mind. Close to 90% of Business Owners have no written exit plan. Two-thirds of the 90% have no plan at all, written or otherwise.
- They haven't considered the *Three Legs of the Stool*, as defined by Chris Snider of the Exit Planning Institute – the Business, Financial, and Personal aspects of an exit.
- They don't have a clear vision for their post-exit life. They may characterize their reason for exiting as burnout, declining revenues, industry changes, or disputes with partners, or they may say they're looking for new opportunities or a change in lifestyle, but in most cases, the real reason is something else. And they may not even know what that *something else* is.
- They think they don't have time to prepare their company for sale or to participate in the process of selling it. Spending 50% of their time preparing to exit their business seems inconceivable to many Owners, as does the prospect of committing to time-intensive individual steps like value enhancement or due diligence.
- They haven't completed the basic steps that are fundamental to owning a business, including:
    - The creation of a strong Buy-Sell Agreement;
    - The completion of Business Continuity Instructions; and
    - The preparation of a Will and Advance Directive.
- Another reality – and it may be the most important one to note – is that when asked about their exit timeframe, most Business Owners say, "Five years…" Unfortunately, they say that at age 60, age 65, age 70, and so forth. It's a convenient way to avoid the issue and postpone doing anything. Ironically, it's also something of a self-fulfilling prophecy because it's a fair estimation of a legitimate exit horizon. The irony rises to the surface when the Owner decides he or she wants to exit in a year or two and still has five years of work to do.

The Galaxy of Advisors

If so many Business Owners have so much to gain by developing a better understanding of Exit Planning, why aren't more professional Advisors prepared to assist them? To be fair, many are, but the number is small compared to the number of businesses that need help. There are a few dynamics on the Advisor side of the equation that should be noted:

- For many Advisors, Exit Planning is beyond the scope of their core services. They may see the potential in offering it as a complementary advisory service but converting a vision to a revenue-generating service requires a focus to which many Advisors cannot commit.
- Advisors in some disciplines have a lot of clients; Accounting is a good example. Others, like Registered Investment Advisors, have clients but are always looking for more. For Advisors who have enough clients, marketing something new to an established customer base presents a marketing challenge. For Advisors who want more clients, developing business in a new market can be just as challenging, if not more so.
- All Advisors want to increase influence with their customers. The term is overused, but they want to become a *Most Trusted Advisor*. But that desire is almost always tempered by the amount of time they can afford to spend with an individual client. This is a prevalent issue in the case of Exit Planning.
- Many Advisors understand the Exit Planning landscape. They know what to do because of the extensive amount of information available in books like *The $10 Trillion Opportunity* by Richard Jackim and Peter Christman, and *Walking to Destiny* by Chris Snider, and through certification programs like the CEPA training offered by the Exit Planning Institute (EPI). But knowing *what* to do is not the same as knowing *how* to do it, and that void is an obstacle for many Advisors.
- Advisors are anxious to provide the components of Exit Planning that fall into their areas of expertise, including things related to finances, taxes, insurance, estate planning, and business growth, but they don't know how to fill in the blanks that are beyond their purview. They may simply lack the network required to support an end-to-end exit plan.
- It's also important to note that, where Exit Planning is concerned, Advisors often want it both ways. They want a process that tells them what to do and when to do it, while giving them and their clients the flexibility to do what they consider to be most relevant, important, or valuable.
- Advisors also want to make money. For some, immediate revenue opportunities are essential. For others, the long-term success of the client represents significant downstream revenue. Different Advisors are motivated differently.
- Perhaps most important of all, many Advisors don't know where they fit in the Exit Planning process. They don't know what their role should be or can be. They want to maintain and build influence with their clients – the desire to be a Most Trusted Advisor is very real – but they want to do it in a capacity in which they feel both confident and comfortable.
- If an Advisor doesn't know where he or she fits, it's even more difficult to know how he or she can participate as a member of an Exit Planning team. Someone needs to lead – at ExitSmarts, we define that person as a Business Transition Coach – and without that leadership, the odds of a successful exit or transition are diminished.

Business Owners and Advisors Working Together

If there are obvious dynamics playing out in the world of Business Owners and the world of Advisors, it makes sense that another set of dynamics will influence the way the two work together. They include:

- The need to stay focused on the big picture as defined by the Owner's transition objectives. Regardless of what level of detail an individual step of the process may include, it's critically important for the Owner/Advisor team to continuously re-visit and confirm the Owner's business, financial, and personal goals, as expressed by the five Ws referred to earlier.
- The Advisor must be clear about the role that he or she intends to play in the owner's exit. It may be as simple as overseeing the entire process without doing any of the work required throughout, or the Advisor may elect to also do the work aligned with his or her specific discipline. In any case, both the Owner and Advisor must be clear about the Advisor's role.

The benefits of using any system or methodology to support an exit must accrue to the Advisor and the Business Owner both individually and as a team.

- If the Advisor is assuming responsibility for overseeing the entire exit process – we refer to this as being the Owner's Business Transition Coach – the Advisor must ensure that each Advisor who participates in the process is clear about his or her role, as well as how it will help the Owner meet his or her objectives. It is also incumbent upon the Coach to ensure that all Advisors are working together and contributing as part of the Owner's Exit Planning team.
- The benefits of using any system or methodology to support an exit must accrue to the Advisor and the Business Owner both individually and as a team. For example, steps in the beginning of the process that increase the Owner's awareness about the task at hand should align with the Advisor's desire to develop business by providing services that are *of value* to the Owner. Later, when an exit plan is being developed, the Owner's increasing commitment to the process should align with the influence and level of trust the Advisor is building with his or her client.
- The Owner and his or her advocate should always be clear about the cost, as well as the value, of the Exit Planning process. The Owner should always understand both the investment and the return expected in every phase of the process.

Delivering an Exit Planning Practice-in-a-Box

When a services provider delivers an Exit Planning Practice-in-a-Box to an advisory firm, it is, for all intents and purposes, putting that firm in the Exit Planning business. This point cannot be stressed strongly enough. The provider of a Practice-in-a-Box must deliver everything that Advisors in all disciplines will need to help Owners effect successful transitions. This reality does not vary based on the foundational discipline of the firm. The provider should put a Wealth Management firm in the business in the same way that it puts a Financial Planning firm or an Accounting firm in the business.

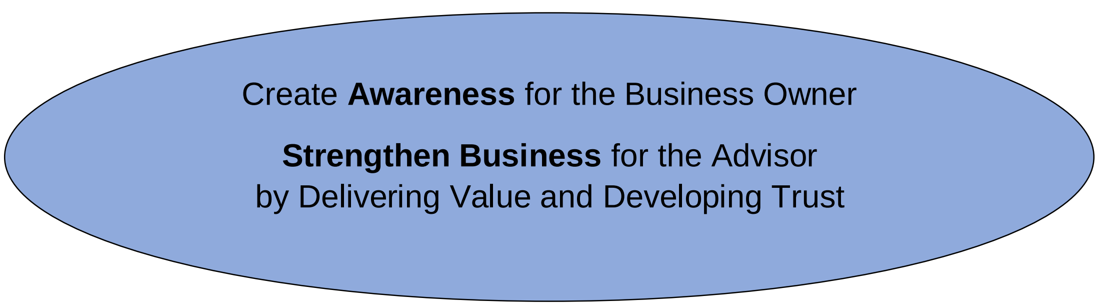
The Fundamental Components of a Practice-in-a-Box

If it's possible – and we at ExitSmarts know that it is – to wrap everything discussed so far in a single package and deliver it to Advisors so they can, in turn, deliver Exit Planning services to their clients, the contents of the package must include some fundamental components. A list of them follows. Think of it as a checklist of things that must be *in the box* when it's delivered to the advisory firm.

A Complete, Yet Flexible, Process

The process must include all the components of a successful exit. That means:

- An **initial phase** that enables the Business Owner to learn about Exit Planning – confirming what the Owner knows and calling attention to the things he or she doesn't know. At the same time, this phase must provide opportunities for the Advisor to increase influence and build trust with the Owner by continually providing value. Graphically, this phase has two components:



  Both parts of this phase should include tools to support the process. Owner Awareness is usually developed through a questionnaire or assessment designed to illustrate what the Owner knows or doesn't know, and where he or she needs the most help. The assessment or questionnaire should be accompanied by a debrief guide that the Advisor can use to walk the Owner through the results of the process.

  The Advisor's part of this phase should be supported by tools that help educate the Owner about the Exit Planning process – brief PowerPoint presentations, brief videos, and handouts – as well as tools that help the Advisor get off to a strong start with Exit Planning. Examples are a marketing playbook and a documented process for getting off to a quick start..

Everything in this phase is about getting started with Exit Planning, and it must include the processes and tools required to help both the Owner and Advisor do exactly that.

- Next is a **planning phase** during which the full Exit Plan is developed. The process that supports this phase, which usually takes between three and four months, must be based on a clear, step-by-step model that includes:

  - Organizational Meeting(s)
  - Stakeholder Meeting(s)
  - Data Gathering and Submission
  - Financial Projections – Business and Personal
  - A Valuation of the Business
  - Financial Analysis
  - Technical Issues – De-risking, Buyer Type Analysis, Deal Structure Analysis
  - A Written Report that includes specific action items and a recommendation for moving forward

Exit Plan Development
Step-by-Step Process/Written Report
All Required Processes, Activities, and Tools

Specific Areas of focus should be included in Exit Plan development:

  - Business Owner's Transition Objectives
  - Stakeholder Alignment
  - A Gap Analysis
  - A Valuation of the Business
    Owner Reliance
  - Technical Issues, as indicated above, that make the business more attractive to multiple buyers

These steps and areas of focus should be supported by the processes, tools, and forms required to develop an actionable exit plan.

- Last is an **Implementation phase** during which the content of the exit plan drives a successful exit by focusing on business improvement and growth over the term of implementation. The Practice-in-a-Box solution should include specific processes and tools that make the business stronger and create options for the Owner throughout the process. That means that positive changes to the business may inspire the Owner to stay involved longer than planned or pursue better multiples at sale. But the fundamental definition of Owner Options is putting the Owner in position to exit in his or her own time and on his or her own terms.

  Implementation is divided into three parts: the first focuses on Tangible Asset Growth; the second focuses on De-risking the business; and the third focuses on Intangible Asset Growth.

Exit Plan Implementation – Part 1
Tangible Asset Growth – Finances

Tangible Asset Growth pertains to the financial aspects of the business – driving revenue, increasing profits, and maintaining the financial practices that have been integral to the company's growth.

Exit Plan Implementation – Part 2
De-risking/Technical
Legal, Tax, Deal Structure, Estate

De-risking is about changes that will make the business more attractive to a greater number of buyers. It includes legal and tax issues, as well as consideration of potential estate planning issues and different deal structures.

Exit Plan Implementation – Part 3
Intangible Asset Growth
Intellectual Capital
Human, Customer, Structural, Social

Intangible Asset Growth pertains to building value in the business based on the four pillars of its intellectual capital. In his book *Walking to Destiny*, Chris Snider defines these as Human, Customer, Structural, and Social. Building the value of a business is a combination of art and science that can last anywhere from two to five years, and sometimes more. If structured correctly, this part of Exit Plan Implementation will identify and resolve the weakest parts of the business – obvious problem areas where value can be improved quickly.

Regarding Flexibility

It is important that an Exit Planning Practice-in-a-Box should be based on a comprehensive process – an end-to-end system that covers everything – but it's equally important that it be flexible enough to allow an Advisor and Business Owner to make immediate use of the parts that represent the highest and most immediate return on investment.

The Practice-in-a-Box should cover everything because each part of it will be used by someone at some point in time, but each unique Owner/Advisor team should be able to use the parts of the system they deem the most beneficial to the owner's objectives.

Delivery of a Practice-in-a-Box

When our advisor described our business model as a "practice-in-a-box," he was clearly thinking about delivery. It makes sense that if you're going to provide something so comprehensive, you should provide it to someone with clients and the resources to deliver it to those clients. This pertains to any number of disciplines that orbit the world of Exit Planning.

Once the practice has the system, processes, and tools, the principals have to decide how to deliver them to Business Owners. In the ExitSmarts world, we ask Advisors from different disciplines to deliver them as Business Transition Coaches. The Coach is the professional Advisor who works directly with the Business Owner, providing oversight of the entire process. The Coach may also elect to provide additional oversight based on his or her specific area of expertise. For example, an Accountant in the role of a Coach may want to drive development of the Exit Plan or do some of the Tax work in the technical part of Exit Plan Implementation. This approach works in the ExitSmarts model. In fact, our model is flexible enough to support all disciplines, which is one reason why it has been characterized as a Practice-in-a-Box.

Another question pertains to the work that the Business Transition Coach isn't trained to do, doesn't want to do, or is prohibited from doing because of restrictions imposed by corporate-level compliance. Again, in our world the answer is straightforward: We fill in the blanks for the Coach and his or her firm. The community of ExitSmarts coaches includes specialists from all required disciplines, so the Business Transition Coach always has access to professionals working with the same delivery model. Anyone who wants to provide an Exit Planning Practice-in-a-Box should be prepared to provide their delivery partners with similar support.

Coaching versus Consulting

Exit Planning is a listening-intensive art which means the Advisor, or Coach, must do more listening than talking. The Business Transition Coach listens to the Owner, clarifies what he or she hears, and puts the Owner on a path to complete the desired goal or objective. The Coach does not tell the Owner what to do or how to do it. The Coach guides.

Accordingly, any Practice-in-a-Box provider must provide the structured training that makes Advisors become Exit Planning Coaches rather than Exit Planning Consultants.

Advisors may be good Wealth Managers, Accountants, or Insurance Brokers, but that doesn't make them good coaches. Accordingly, any Practice-in-a-Box provider must provide the structured training that makes Advisors Exit Planning Coaches rather than Exit Planning Consultants. This training does not have to prepare the Advisor to be a professional coach, but it does have to educate the Advisor to be coach-like in his or her delivery of Exit Planning services.

More about Training

The Exit Planning process includes different roles that the Advisor may want to fill but does not necessarily have the expertise to perform successfully. One example is the development of an Exit Plan. If an Accountant, for example, wants to provide Exit Plan development services, the Practice-in-a-Box should provide the training required to enable the Accountant to deliver the service effectively.

In some instances, more fundamental training may be required. Some Advisors may not have much more than a passing understanding of Exit Planning. As mentioned, certification programs like EPI's CEPA training are designed to help these Advisors get up to speed quickly. But any Practice-in-a-Box provider should also be able to provide Exit Planning training or, at a minimum, provide a solution that aligns with a certification program or programs.

The Role of Technology

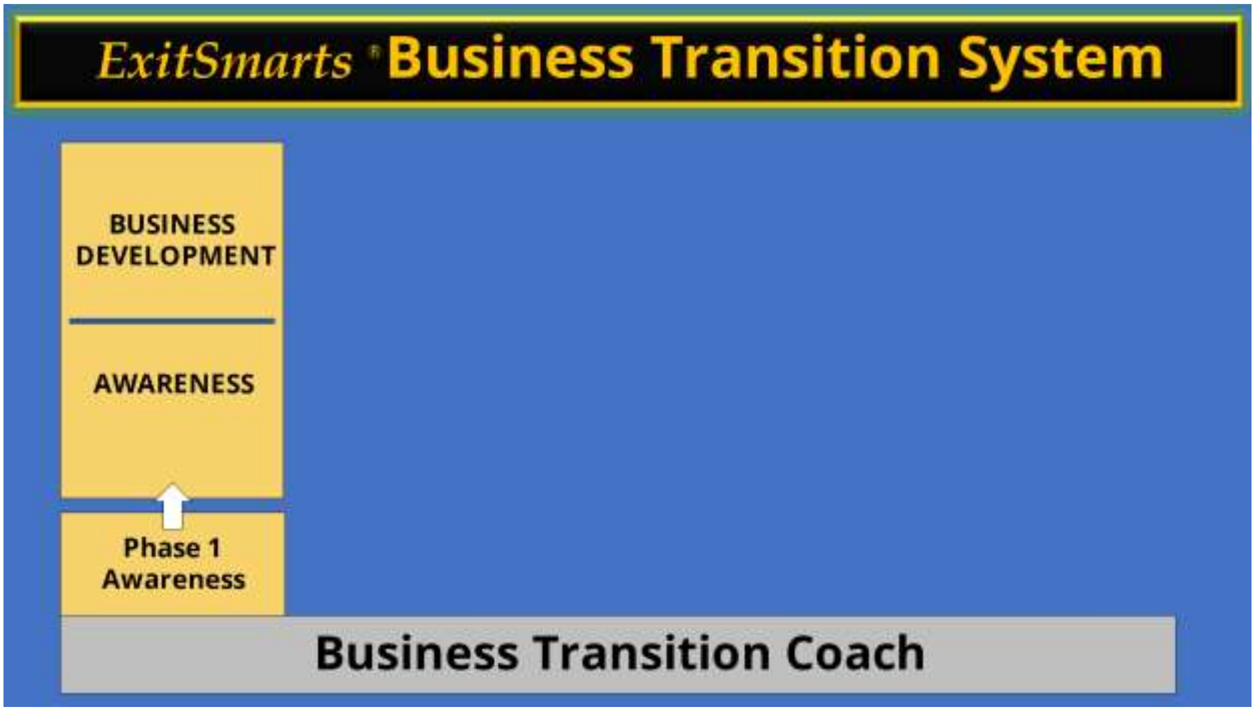
A Practice-in-a-Box doesn't have to be based in technology. It doesn't have to be a software-based system. But it does have to use technology that makes it easier and more straightforward for the Advisor, the Coach, and the Business Owner to use. It should help the Advisor keep track of all activity on a client-by-client basis, define all steps in each phase of the Exit Planning process, provide access to all tools designed to assist in the completion of a specific step or phase, and automatically alert the Advisor regarding the status of individual steps and possible responses. At ExitSmarts we support everything in our Business Transition System with a workflow system called *Smartsheet*. It provides the functionality mentioned above and more.

The ExitSmarts Practice-in-a-Box

This paper began with a story about an advisor who characterized our business model as "an Exit Planning Practice-in-a-Box." This characterization was based on many of the things that have been included in this whitepaper, but it distills down to one essential fact: A Practice-in-a-Box is a much-needed answer for Advisors and their Business Owner clients who are struggling with questions about Exit Planning.

Inside our Practice-in-a-Box is the **Business Transition System**, a complete end-to-end system for Transition Planning that includes three phases. Let's look at each of them.

Business Transition System, Phase 1 – Awareness



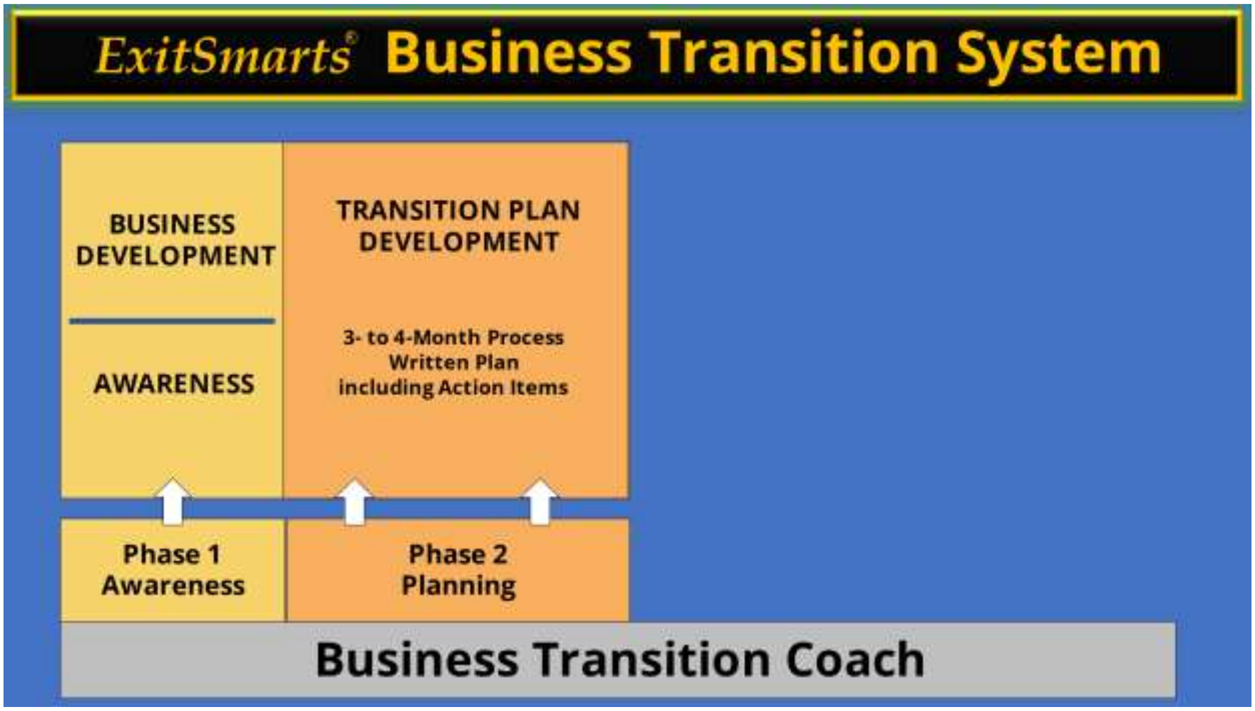
The **Awareness Phase** is comprised of two related components – Awareness for the Business Owner and Business Development for the Advisor, or as we refer to the role, the Business Transition Coach.

The tools and processes in this phase, including an Online Readiness Assessment for the Owner, are designed to reveal what the Owner knows and doesn't know about Transition Planning.

Guiding the Owner through this early phase helps the Coach create credibility and trust with the Owner, consistently strengthening their business relationship. The Owner's increasing awareness and the Coach's opportunity to deliver additional value advance hand-in-hand.

The Business Transition System provides a set of tools specifically designed to help the Coach guide the Owner through the awareness building process. These include a Business Development *Playbook*, a *90-Day Fast Start Guide*, and a set of brief PowerPoint presentations that comprise the *Business Owner Reference Library*.

Business Transition System, Phase 2 – Planning



The **Planning Phase** is just that – the development of a transition plan based on the Business Owner's transition goals and objectives. A transition plan typically takes from three to four months to complete, depending on the amount of time the Owner dedicates to the process.

It's important to note that the transition plan is documented in a written report that includes specific action items to be completed in the execution of the plan. A plan that isn't executed is of little value, so creating a plan that drives toward implementation is the most rationale approach for the Owner and Coach alike.

Two important concepts that are introduced during Transition Plan Development should be highlighted here:

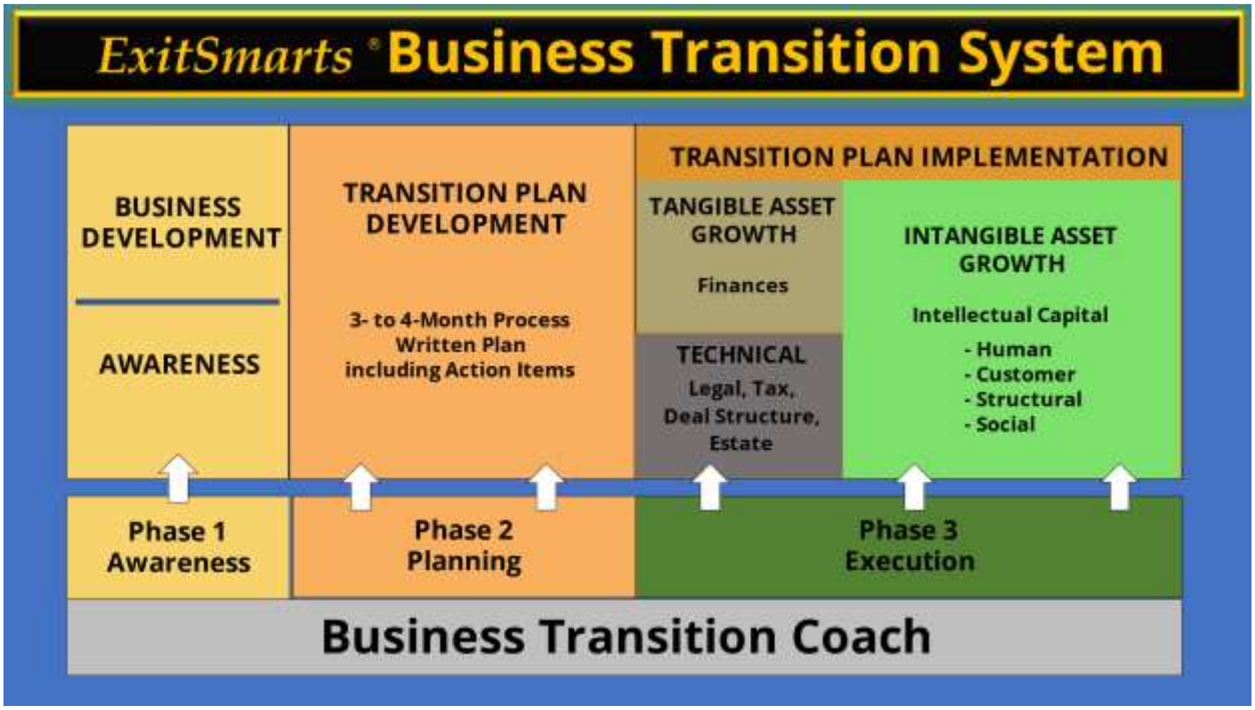
The first is encapsulated in what we call the **5Ws**:

- **What** is the Owner's vision for exiting, both pre- and post-transition?
- **When** is the Owner planning to exit?
- To **Whom** is the Owner planning to sell?
- **Wampum**, which is our way of asking – What's the owner's number? How much money does the Owner need in order to make his or her transition vision a reality?
- **Why** does the Owner want to exit in the first place?

The second concept, which was popularized by Chris Snider in his book, *Walking to Destiny,* is the **Three Legs of the Stool**. It refers to the Owner's objectives in three specific categories – Business, Financial, and Personal. Although obviously related, the three must be considered separately to ensure that they are in balance and making an optimized contribution to the Owner's vision.

Once introduced during the Planning Phase, these two concepts – the 5Ws and the Three Legs of the Stool – continue to influence the transition process until its conclusion. The Owner and the Coach are constantly re-visiting both to confirm that they have or haven't changed, which is appropriate since they will change frequently.

Business transition System, Phase 3 – Execution



The **Execution Phase** focuses on the implementation of the transition plan. It's divided into three parts – Tangible Asset Growth, Technical, and Intangible Asset Growth

Tangible Asset Growth refers to ongoing attention to sound business metrics, which, by and large, means finances – revenue, profit, sustained growth.

Technical considers specialized areas that may be considered during implementation with the specific goal of making the business more attractive to potential buyers. Legal, tax, and insurance issues are included in the technical component, as are estate planning considerations and the analysis of different deal structures.

Intangible Asset Growth refers to increasing the potential value of the business by focusing on the hidden attributes of the company that are usually locked up in its four categories of intellectual capital – human, customer, structural, and social. Growth by focusing on intangible assets is a process that can take anywhere from two to five years. It usually starts by focusing on areas of obvious and immediate value – sometimes referred to as *low hanging fruit* – and continues with the identification of other areas that represent hidden or untapped opportunity.

The overarching objective of the Execution Phase is to create Owner Options, which simply means improving the business at a pace that gives the Owner recurring options to exit or continue in the business in his or her own time and on his or her own terms. During execution, the Owner's 5Ws may change, the details in the three legs of the Owner's stool may change, and emotional variables like the Owner's motivation to stay or exit may change along with them.

Business Transition System – Delivery

All three of the graphics in this section show the *Business Transition Coach* as the foundational component of the Business Transition System. That's because the Coach and the Coach's firm are the delivery mechanism for the system. The Coach is critically important to the ExitSmarts model. In fact, for reasons stated previously in this paper, someone filling the role of the coach is critically important in any Exit Planning program. There are some key differences in the ExitSmarts model that should be mentioned at this point:

- **System Completeness** – The Business Transition System is complete. Anything that may potentially be needed during a transition is included in the system. At the same time, the Coach and Owner, working together, enjoy the flexibility to pick and choose the aspects of the system that most pertain to the Owner's specific transition. It's much easier to choose what you need from a comprehensive system than it is to need something that isn't included in the system you're using.
- **Coach Flexibility** – Each Business Transition Coach enjoys the flexibility to fill the role that most closely aligns with his or her area of expertise.

  Some Coaches will simply oversee the transition process as their client's Most Trusted Advisor or Most Trusted Advocate. They may not want to do, may not be equipped to do, or may not be legally permitted to do any of the other required work. But every Coach will, at a minimum, fill the oversight role throughout the transition process.

  Or a Coach may elect to do some of the work required in the transition process. A good example is an Accountant who wants to develop the transition plan for his or her client.

  A Coach may also want to do some of the specialized work included in the Execution Phase, based on his or her specific discipline. For example, they may have specific expertise related to tax, legal, or insurance matters, or in areas like estate planning.

  In the ExitSmarts model, the Business Transition Coach does what he or she wants to do. We fill in the blanks by either complementing the work with resources from our staff or referring it to professionals in the ExitSmarts community of Coaches and Advisors.

Business Transition System – Training

ExitSmarts provides the training that our Coaches need, regardless of what role they intend to play in the transition processes of their clients. Training includes three three-hour workshops:

- One focused on the correlation between the Business Owner's awareness and the Coach's business development;
- One focused on the concepts, processes, and tools that will empower the Business Transition Coach to be truly coach-like, as opposed to consultant-like, in working with Business Owners; and
- One focused on the details of each component of the Business Transition System and the use of the Smartsheet workflow system.

ExitSmarts provides more extensive training in specific areas like Transition Plan Development, Transition Plan Implementation, and Business Transition Coaching. These additional courses are available upon request by a Coach or Coaches, but it's important to emphasize that everything a Coach needs to be successful is included in the three three-hour workshops. The ExitSmarts model also includes ongoing support from both ExitSmarts and the Coaching community.

Conclusion

In our efforts to design, develop and deliver a system that helps the potential Transition Planning Advisor understand not only what needs to be done, but also how to do it, we at ExitSmarts have created a Practice-in-a-Box for professional Advisors of all disciplines. Our Business Transition System includes all the processes, tools, and automated workflows required for an individual or a firm to go into business in the world of Exit Planning.

We have taken unusual care to ensure that our system, although comprehensive, provides as much flexibility as possible for both Advisors and their Business Owner clients.

We believe we have given form to an industry in which form is required if it's going to deliver on the promise it represents for Business Owners. We're not for everyone, but our goal is to be the best we can be for the Advisors, Coaches, and Business Owners who believe in our contribution to the art and science of Transition Planning.