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Legacy Partners

— EXIT YOUR BUSINESS WITH EASE —



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## What Happens to Your Business If You're Suddenly Gone?

### Expect the Unexpected: Prepare and Protect Your Business with an Exit Plan

We've all heard the saying, "Life is what happens when we're busy making other plans."

We never know what life is going to throw at us, and an unexpected event happens usually when we're looking the other way.

One of our clients, the owner of a highly profitable manufacturing business, was in the initial stages of planning to exit his business through a third-party sale. Once completed, the sale would provide financial security to his family for many generations.

Everything was moving along well—**until he died during a hike while on vacation**. He was in his early 50s and seemingly healthy. Now the estate needs to be settled before his heirs can continue with the sale because **there was no succession plan in place**.

There are innumerable instances where the unpredictable cadence of life delivered an accident, medical diagnosis, divorce, or other unexpected event that threatened everything a business owner devoted years of work to build. These events, if not properly prepared for, can destabilize a company, jeopardizing customer, supplier, and employee relationships, ultimately damaging business value.

An Exit Plan will address the **"five big Ds" that can disrupt a business: Death, Disability, Disagreement, Distress, Divorce**.

There's a lot in life that we have no control over; however, when it comes to our business, we can anticipate potential "showstoppers" and develop an exit plan to manage the ramifications if one should occur.

#### What Is Exit Planning?

Proper exit planning formalizes a succession plan and focuses on minimizing business risk and addresses the owner's business, financial and personal goals. It answers the following questions:

- What is the value of my business?
- Should I sell my company? Or is a family succession, employee stock ownership plan, or management buyout the right exit for me?
- Is my business positioned to attract multiple buyers?
- What can I do to increase the value and marketability of my business?
- How will an exit impact my personal financial wealth?
- When is the right time to exit?
- How do I minimize taxes?
- What will I do after I exit the business?
- Who can help me execute my exit strategy?

#### No Exit Plan = Significant Risks

According to the Exit Planning Institute, 83% of business owners have no formal exit strategy in place. In contrast, the Raymond James 2025 survey reports that 88% percent of privately held business owners plan to exit their business within the next 10 years.

The potential risks are staggering:

- Only 30% of privately held businesses brought to market sell, according to InvestmentBank.com.
- Only 30% percent of family successions succeed when transitioning from the first generation to the second generation, reported by PricewaterhouseCoopers.
- As much as 70-80% of a business owner's wealth is undiversified and tied up in their business, according to the Exit Planning Institute.

Without an exit plan, your chances of successfully exiting your company and achieving your financial and personal goals are extremely low.

Don't be a statistic. Expect the unexpected and develop an exit plan **now** to safeguard the financial security you and your family deserve. Thoughtfully planning and executing your exit strategy enables you to diversify and harvest the wealth you worked hard to create.

Developing your own exit plan starts with taking a structured, proactive approach. Begin by clearly defining your personal, financial, and business objectives, then assess the current value and readiness of your company.

This includes understanding your company's financial performance, growth trends, customer concentration, management depth, and how dependent the business is on you as the owner.

You should also evaluate how your business might be perceived by a potential buyer—whether it has scalable operations, sustainable margins, and transferable relationships.

From there, identify potential risks—both expected and unexpected—and outline contingency plans for each of the “five Ds.”

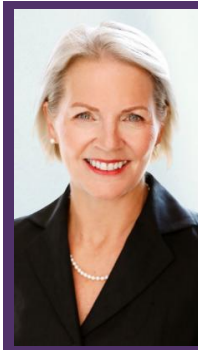
Building the right advisory team (legal, tax, financial, investment bank) and regularly revisiting your plan as your business evolves are critical steps. While the process requires time and discipline, creating even a foundational plan can significantly improve your ability to protect value and make informed decisions when the time comes to transition.

If you prefer a more guided and comprehensive approach, working with an experienced team can help ensure that each element of your exit plan is thoughtfully developed and effectively executed.

At DAK in partnership with Legacy Partners, we understand how daunting exit planning can be for business owners. Our comprehensive **Master Exit Plan®** process and team of experts guide owners to successfully develop and execute their plan.

*Our clients are well-positioned to exit their businesses, and those who decide a 3rd-party sale is the right exit strategy for them experience **higher deal value and lower tax impact**, and achieve their business, financial, and personal goals.*

To learn more about our Master Exit Planning process, click [here](#). And don't hesitate to contact us if you have any questions. We are here to help.



**About  
Chris Vanderzyden**

Chris Vanderzyden leads the Legacy Partners Worldwide Division of The DAK Group. She is a trusted advisor to clients and peers, an industry trailblazer in exit planning, and a mentor and leader to a team of top financial and M&A professionals. She can be reached at [cvanderzyden@legacypartnersllp.com](mailto:cvanderzyden@legacypartnersllp.com)