

A photograph of three business professionals in an office setting. A man in a dark shirt and glasses stands in the center, holding a coffee cup and looking down at a document. To his left, another man in a dark sweater and glasses sits at a desk, writing on a document. To the right, a woman in a grey blazer stands, holding a folder with a bar chart. The background shows a desk lamp and office furniture.

# Planning a Successful Sale or 'Exit'? What All Business Owners Need to Know

HOW TO BUILD A BUSINESS THAT IS 'EXIT READY'  
FROM DAY ONE

# Introduction

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Planning for a future 'sale or exit' from your business shouldn't happen at the last minute – it's something you can build into your business from the very beginning.

That's what all 'exited' founders do with their second business - SO there must be something in it.

Starting with the end in mind helps you to create a business that is more efficient, more profitable and simpler to manage, and far more attractive to future buyers.....

Whether you plan to sell, step back, or pass the business to family members, the earlier you start preparing, the more options you will have available to you.

This short guide outlines the essential habits and decisions every business-owner should adopt to ensure their company grows into a valuable business asset, rather than a job with a lot of responsibility.

## Key benefits of early exit planning:

- 1 A higher business valuation through better planning
- 2 A more profitable, efficient, and easier business to manage along the way
- 3 Greater flexibility in choosing the sale or exit route that works best for you
- 4 Lower stress and smoother transitions for staff and customers
- 5 Better personal financial outcomes for you (the business-owner), e.g. Wealth and remuneration planning, using available tax reliefs

# What's in this eBook?

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- Pg. 3      Begin with the end in mind
- Pg. 4      Step out of the limelight
- Pg. 5      Develop your team
- Pg. 6      Build systems (even if you're a team of one)
- Pg. 7      Implement the right software
- Pg. 8      Know your numbers
- Pg. 9      Make business planning a habit
- Pg. 10     Clarify ownership and protect your assets
- Pg. 11     Identify business risks and challenges (and fix them)
- Pg. 12     Prepare for Due Diligence
- Pg. 13     Build your Exit Advisory Team Early
- Pg. 14     Don't wait until the last minute (or until it's urgent)
- Pg. 15     How Sakura can help: 'Exit'-ready finance support
- Pg. 16     The Asset Rich and Exit Ready programme

# Begin with the End in Mind

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Many business-owners launch focusing on survival and growth, but few take the time to consider the long game. Yet having a clear picture of your ideal 'exit' from day one can shape your entire entrepreneurial journey.

When you know where you're heading, you can make decisions that support your destination, whether that's structuring your finances, hiring the right people, or choosing the right customers. You stop reacting and start building a business with purpose.

## Questions to consider early on...

- 1 How do I want to exit the business, sell to a competitor, a private equity firm, or develop an internal successor?
- 2 What kind of lifestyle do I want post-'exit'?
- 3 How much do I need to sell or exit for in order to meet my financial goals?

According to widely-used industry data, businesses with an exit plan in place are much more valuable, investible, and more likely to sell for the asking price. Whereas up to 80% of businesses listed for sale never actually sell, usually because of a lack of preparation.

Early planning gives you the advantage of time. It helps to ensure you're one of the business owners who sell successfully – and on your own terms.

# Step Out of the Limelight

If your business can't run without you, it's not a business – it's a very intensive job. One of the most critical steps in 'exit' planning is learning how to remove yourself from day-to-day operations.

The biggest 'killer' of a sale or exit is owner involvement while also being the biggest factor in reducing the value of your business. Delegation doesn't mean stepping back entirely. It's about transitioning into a role that builds long-term value. When key decisions and client relationships aren't reliant on you, the business becomes more stable, more scalable, and far more appealing to buyers.

## Steps to reduce owner dependency

- Develop and train a management team
- Delegate client relationships and regular operational decisions
- Standardise and automate and then delegate tasks where possible
- Consider implementing performance-based incentives for key staff

## Why it matters

- Owner-reliant businesses typically scale much slower and sell for 30-50% less, if at all
- Buyers want continuity post sale with or without the business owner

Ask yourself: Could I take a three-month holiday without things falling apart? If the answer is 'no', then you are still too involved, and it's time to start transferring knowledge, responsibility, and decision-making.

# Develop Your Team

One of the key steps to enable you to 'step out of the limelight' will be developing and training your management team.

Over time, ideally, you need to reduce your involvement in your business to that of a senior role that can be (broadly speaking) replaced through the recruitment of an experienced professional.

This is NOT to hide your importance to the growth of the business over the last 5 or 10 years, or to sideline you as the business owner, but to focus your attention on:

- Delegating as much of the less important admin and 'low value' work
- Increasing the amount and quality of your time working ON the business (business strategy)
- The 'superpowers' that only YOU have within your business, whether building client relationships, selling or driving business projects, etc

It also provides you with an opportunity to spend more time with your family or doing the things that you now have the opportunity to do – after years of late nights, weekends, and high levels of stress!

So when building your management team, you want individuals that are able to (and given the opportunity to) start to take day to day operational decisions, take on at least some of the client relationships and take more of the responsibility of the business.

So a business that has a professional, effective and mature management team that does not NEED you is the ideal – and what you should be aiming for over the 'exit planning period'!

And - a key part of the due diligence process is to review what the overall Team and the Management team structure is – so you should be aiming to build a structure that fits your business.

# Build Systems (even if you're a team of one)

Documenting your processes may feel unnecessary when it's just you, but it's one of the most important things you can do. When everything you do is recorded, then delegating, training, scaling – and, eventually, selling – become more straightforward.

Buyers and investors aren't just looking at your results. They're looking at how repeatable and sustainable those results are. A business built on systems, not memory or guesswork, is more scalable, more profitable... and far more valuable.

## Key areas to be documented

- Daily operations (client onboarding, service delivery, invoicing)
- Financial workflows (bookkeeping, payroll, tax submissions)
- Sales processes (lead generation, follow-up, closing deals)

## Why systems matter

- They increase the valuation of your business because you are demonstrating consistency and stability.
- Systems support and enhance the effectiveness of your management and wider team
- They reduce buyer concerns around owner involvement and owner dependence.

Think of your systems as the instruction manual for how your business runs.

**TIP:** Use tools such as Notion, Loom or even Word/Excel to build your playbook as you go – and make documentation part of your daily routine, not a one-off task.

# Implement the Right Software

What you are looking for ahead of a sale or 'Exit' from your business is the 'holy trinity' e.g.

- Your Management Team
- Your business software
- Your internal processes and systems

Having all of these in place provides the best possible platform for mitigating or (almost) removing 'owner reliance' making your business much more valuable AND more attractive to a Buyer.

There is always a balance to be struck with the investment in your business software.

It is not unusual for a Buyer to replace ALL of the software in the acquired business with their own core software, but equally the software in your business needs to be sufficient to ensure that you can operate as efficiently as possible.

So the RIGHT level of investment in the RIGHT business software is the ideal.

For most businesses, the key is to have robust and 'off the shelf' sector-recognised software for sales and marketing, operations (CRM), finance and/or HR services.

AND beware of 'bespoke' business software that has been developed internally, which may NOT add any value to your business given the specific internal knowledge required, compared to 'off the shelf' software e.g.

- issues with ownership of the IP
- the ability to train staff on this specific software
- issues with 'how to' support or troubleshoot the software, etc

# Know your Numbers

Understanding your financials and key numbers is non-negotiable.

You need to be able to understand and interpret your finances, identify where and why changes have occurred, and use them to react (and monitor) business activity.

This isn't just about compliance or reporting – it's about control. Knowing your numbers helps you spot problems early, make smarter decisions, and in the end, to be able to clearly explain 'The Story' of the business and showcase how the financials support the value of the business to a potential buyer.

## Key financial indicators to monitor

EBITDA (Earnings Before Interest, Taxes, Depreciation, Amortisation)  
Gross and net profit margins  
Customer acquisition cost (CAC)  
Lifetime customer value (LTV)

## What buyers look for

- Consistent revenue and profit growth over three-to-five year period
- Financial records that are clear and organised that explain 'The Story' of the business over the last 3 to 5 years
- Identification and evaluation of potential risks eg. customer disputes, HR, Revenue, IT licenses and cyber issues

Start early collating, reviewing and updating the financial information likely to be needed at the due diligence process.

# Make Business Planning a Habit

An 'exit'-ready business is a well-managed business. Planning isn't something you do once a year and forget. It should be driven by the finance team, throughout the financial year and year on year.

The best and most focused businesses use plans e.g. annual budgets, cash forecasts, KPIs etc.

Your planning routine should include:

- Annual budget
- Monthly management meetings
- Quarterly strategy meetings
- Cashflow forecasting

PLANNING ELEMENT	FREQUENCY	TOOL/ EXAMPLE
Annual Budget	Yearly	Turnover/Profitability Target Business Wide Planning
Management Accounts	Monthly	Xero/quickbooks/excel Keeping on track with budget Proactively managing risks, market changes etc
Cashflow Forecast	Monthly	Excel or specific Software Proactively keeping you 'In the black'
KPI Dashboard	Weekly and Monthly	Monitoring marketing, sales and operational activities, client churn, margins etc

Remember: Buyers value businesses that run in a consistent way, and are proactive, rather than reactive to external circumstances.

Regular planning doesn't just support business value – it makes running the business much simpler too.

# Clarify Ownership and Protect your Assets

Buyers want clarity and the removal or mitigation of any risks – and you should, too. Clearly define the ownership of all physical, digital, and intellectual property assets.

It's not uncommon for deals to fall through because of unclear ownership – especially around IP, brands or logos, or the security of customer contracts. Getting your house in order now reduces risk and speeds up the due diligence process when it matters most.

## Checklist of commonly overlooked ownership issues

- Business premises (Action tax planning review for best means of holding these assets)
- Software licences and bespoke developed software
- Ownership of brand assets: logo, website, domain, trademarks
- Security of customer contracts and terms eg, break clauses, change of control clauses

## Recommendations

- Register trademarks early and in the relevant locations
- Regularly review the structure of non-core business assets
- Create written IP assignment agreements where needed
- Check that sufficient licenses are in place for all users and freelance developers have signed over rights to in house developed software

Clear asset ownership = less due diligence friction. It's one of the quickest ways to improve buyer confidence and protect your valuation.

# Identify Business Risks and Challenges (and Fix them)

One of the simple mistakes made by business owners during the sale or Exit process, is leaving known risks or problems in their business unresolved e.g. employee issues or disputes, historical Revenue problems or issues, contractual issues or disputes with customers etc

Each of these are risks that a potential Buyer will be taking on should they buy your business. They will be identified at the due diligence stage – and a value of each risk will be calculated by the Buyer, with this amount being deducted from the price for your business . . . . .

At this late stage, the discovery of these risks could derail the whole process (what else is in this business that we HAVEN'T found) or will result in the Buyer's valuation of the potential risk - which may be higher than your valuation of each risk - BUT you will have little or no ability to argue.

Therefore part of the Exit planning process will be to identify any current or historical risks in your business and then resolve them – well in advance of the sale process !

## This means...

- Resolve employee disputes via HR or settlements
- Settle any disputes or issues with former or current directors or management
- Liaise with and resolve historical Revenue tax issues or disputes
- Come to an arrangement in terms of any customer disputes
- Deal with any current or historical minority shareholders and buy them out or ensure that they sign 'tag along' or 'drag along' contractual terms
- Review and update insurances across the business to protect against any historical or new potential risks

Remember it will be cheaper and easier to resolve these issues with time, ahead of a sale or exit process, rather than trying to do this urgently or while in the midst of the process.

# Prepare for Due Diligence

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Sloppy documentation can derail a sale.

The smoother your due diligence process, the more attractive your business becomes. It's not just about having the paperwork, it's about having it accessible, up-to-date, and clearly presented. Every missing document adds doubt.

So ensure that your 'Data room' is ready! Buyers and their legal and financial advisors will want to hit the ground running, not untangle years of administrative clutter and waste time.

The more prepared you are, the faster you'll close, and the fewer compromises you'll be asked to make on price or add to your list of warranties and indemnities.

See our (non-exhaustive) list of due diligence documentation in our separate SAKURA 'Exiting Your Business' guide.

## *Question*

What happens if you receive an unexpected or unsolicited offer i.e. How quickly can you react?

## *Answer*

Preparing for the due diligence process early (early exit planning) enables you to respond and take advantage of such an opportunity.

# Build your Exit Advisory Team Early

Even if you're not planning to 'sell or exit' immediately, you'll benefit from having outside perspectives sooner rather than later.

Building your advisory team early gives you space to make smarter decisions and avoid common pitfalls. It also demonstrates a maturity that will be apparent very quickly to a potential buyer.

Your team will challenge your blind spots, sense-check your assumptions, and help you to plan beyond the day-to-day.

When the time comes to 'sell or exit', these relationships can make all the difference.

## Form your team of advisors

- CFO or FD (or Fractional CFO/FD)
- M&A Advisor
- Tax planning specialist (with exit experience)
- Commercial lawyer
- A business mentor or coach to prepare you Pre exit (for life afterwards)

## Benefits

- Early advice and feedback from experienced professionals
- Accountability and strategic clarity
- Smoother and less stressful process to a (hopefully) successful sale or exit

If you don't have your advisory team in place yet, start now!

# Don't Wait Until the Last Minute (Or Until It's Urgent)

Planning for an 'exit' isn't just about getting ready to sell. It's about making your business stronger right now.

The same elements that make your business attractive to buyers – structured operations, healthy cashflow and clear financials – also make running it more enjoyable. 'Exit'-readiness is a strategic advantage, not just a tactical one.

Leaving it too late often means rushed decisions, limited options and reduced value. The earlier you start preparing, the more leverage and freedom you'll have when it really counts.

'Exit'-ready businesses grow more sustainably, are more resilient during downturns and provide a better work/life balance for the founder.

Give yourself time to 'exit' on your terms, not someone else's timeline.

Because when you're ready, the right buyer will be too.



# How Sakura can help: 'exit'-ready finance support

Are you ready to start preparing your business for a future sale or exit?

With our Asset rich and Exit Ready Programme, we take business owners from thinking about a potential sale or exit to being able to exit!

## How can we help business owners

The programme will provide a clear, straightforward and structured process that maximises business value and minimises stress for business owners during the exit process - while also improving resilience and business profitability along the way.

 Don't just engage a business broker who will sell your business for what it's worth (NOW)

 Don't put yourself at risk of leaving 'money on the table' or having a sale fall at the last hurdle

 Do sell your business at the value it should be sold at

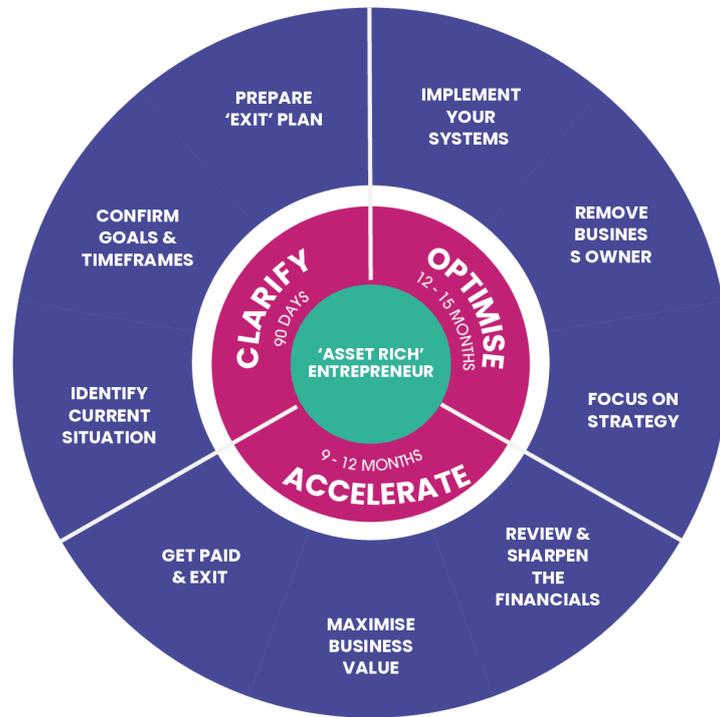
 Do keep your exit options open

 Do maximise the value of your business by anything from 5-10 times your business value now

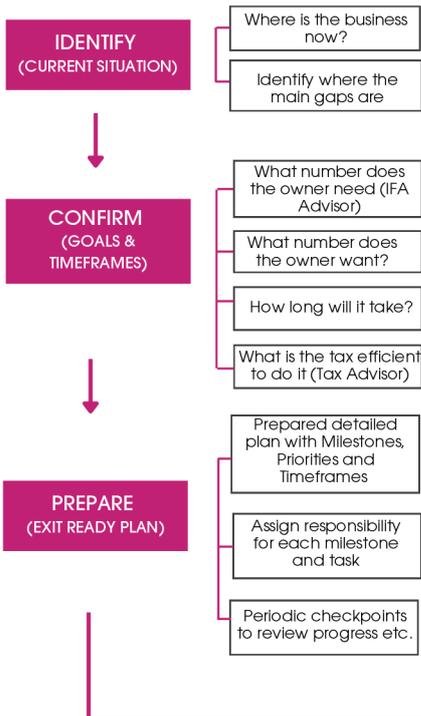
 Do increase profitability along the way (we have examples of at least €50,000 per annum)

 Do increase your sense of control and reduce stress and uncertainty

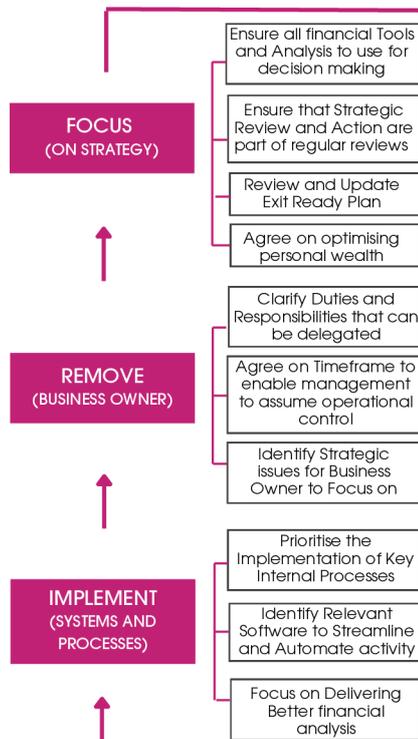
# The Asset Rich and Exit-Ready Programme



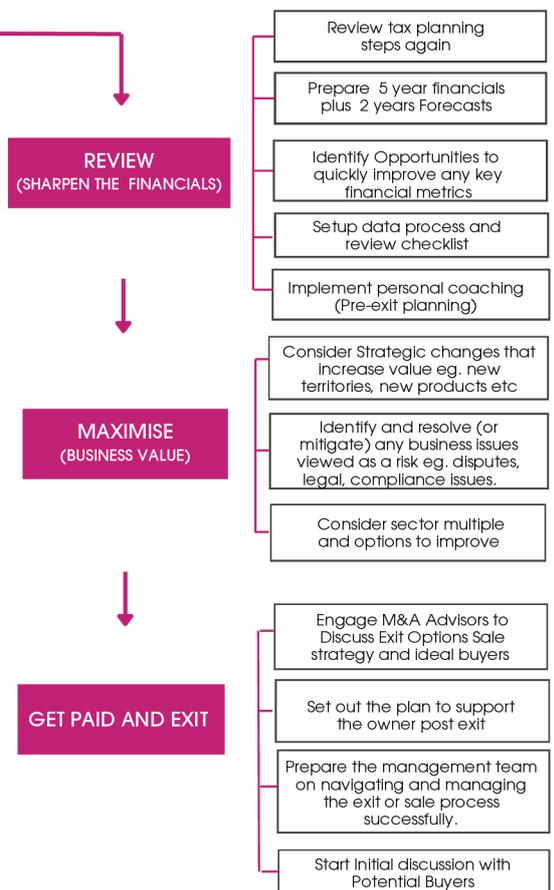
## CLARIFY 90 DAYS



## OPTIMISE 12 - 15 MONTHS



## ACCELERATE 9 - 12 MONTHS





## Damian Connolly FCCA

Fractional CFO & Business Exit Advisor

### Take the Next Step



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