



Your Business is
at a Crossroads

Strategizing the Next Big Step

Gain control of
your business'
future.

You have big
decisions to
make.

Let's explore
the options.



First, who is on your team?

- Accountant
- Attorney
- Valuation professional
- SBDC Advisor



Your options for next steps

- Business thrives; Owner stays involved
- Business pivots; Owner stays involved
- Business continues; Owner exits
- Close the business; Owner exits

Business thrives; owner stays

Positives

Maintain:

- Relationship with customers
- Relationship with employees
- Some level of revenue
- Sweat equity value
- Personal income

Negatives

- Risk increasing debt
- Risk decreased A/R collection
- Increased workload and potential related anxiety
- Not able to maintain personal income
- Current economic uncertainty

Business
thrives;
owner stays

Considerations

- Cash flow projections
- Maintain similar business operations
- Negotiated contracts
- Expand operations
- Reduce operations
- Reduce overhead, rent, etc.
- Breakeven analysis
- Taxes

Business pivots; owner stays

Positives

Same as “thrives”... plus:

- Increased or diversified revenue streams - pivot
- Reinvigorated employees
- Potential for increase in income
- Access to new markets

Negatives

Same as “thrives”...plus:

- Increased learning curve
- Risk of not understanding new business practice
- Possible decrease in income during transition
- Risk of not having employees buy in

Business pivots; owner stays

Considerations

- What do you want the business to look like?
 - New market or customer base
 - New partner(s)
- Leverage your current customer base
- Reach a new market
- Identify costs associated with potential pivot
- Taxes

Business continues; owner exits

Positives

- Potential personal financial gain from sale
- Understand value of business
- Relief from business ownership
- Continued service to employees and customers
- Opportunity to engage in other pursuits

Negatives

- Loss of personal financial security through current business
- Difficult to separate personal guarantees
- Need a positive asset to debt ratio to be seamless
- Difficult to find buyers depending on financial position
- Potential tax ramifications
- Emotional loss

Business continues; owner exits

Considerations

- Can you sell part or all of the business
- Is the business in a financial position to sell
- What is the value of the business
 - How is value determined
- Will proceeds cover obligations
- Have you considered an asset sale
- Do you have potential buyers (key employees, competitors, vertical integration, customers)
- Taxes

Close the business; owner exits

Positives

- Relief from business ownership
- Potential transfer or sale of assets and business services through negotiations
- Opportunity to engage in other pursuits

Negatives

- Personal financial risk and ramifications
- Loss of service to employees and customers
- Personal long-term financial position may be negative
- No relief from personal guarantee obligations - i.e. rent, payables etc.

Close the business; owner exits

Considerations

- Consider other options to close the business
 - Negotiations with contracts, lenders, and vendors
 - Asset sale to cover negotiations
- Consider bankruptcy
 - Restructure or dissolve
 - Business or personal
 - Seek legal advice
- Consider the true cost of walking away
 - Legal/financial ramifications
- Consider personal guarantees
- Taxes

Your Partner

SBDC Advisors can facilitate conversations and help you explore all your options.



Check out our website

[NH SBDC](#)

There you can:

- Request no-cost, expert business advising
- Sign up for our newsletter & follow us on social
- Click to our free, 24/7 eCourses



NH SBDC

- Provide highly individualized advising and education at no cost to NH businesses.
- Funded in part by the U.S. Small Business Administration - resource partner.
- Supported by NH's Dept. of Business and Economic Affairs.
- Outreach program of UNH Paul College of Business and Economics.

