



# EVERY BUSINESS SHOULD HAVE A GOOD EXIT STRATEGY...

It is a thought no business owner wants to think but all should know...when is it time to call it quits?

When is it time to call it quits? It's a question that every business owner faces at some point or another. Maybe it's just for a segment of the business, such as, the introduction of a product that doesn't meet expectations, or opening a branch office that fails to perform. Of course, the ultimate decision is when is the time to close the entire business, and how to go about it.

Every business owner should have an exit strategy. A part of any strategic plan is an action plan of how to "get out" if the business, or the project, doesn't go as planned. In the execution of an exit strategy it's important to have access to accurate and timely data with which to make your decisions. If you don't have good data, it's impossible to know if it's time to implement any strategy, much less an exit strategy. The worst-case scenario is utilizing bad, or no data at all, to make your decisions.

ARPI provides business and community coaching throughout the United States. If you have a business question for Jack, email him at [jack.newcomb@totalcsi.com](mailto:jack.newcomb@totalcsi.com). You can also visit the ARPI website, [www.advancingruralprosperity.com](http://www.advancingruralprosperity.com).

Once you're sure you are working with accurate information, the analysis becomes easier. Are we generating enough revenue from sales to continue? After deducting all of our expenses is the cash flow adequate to replace inventory, make improvements, and still make a profit? If not, does it make sense to continue to subsidize the business venture by either injecting more personal capital, or by taking on additional debt?

Perhaps there are changes that can be made in the operation to make it profitable, but if not, it may be time to employ your exit strategy.



**Jack Newcomb**  
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