

— The Definitive Workbook on —
HOW TO **DOUBLE YOUR EXIT VALUE**
IN THREE SIMPLE STEPS

MAXIMIZE EXIT VALUE

OF THE BUSINESS
YOU BLED TO BUILD ♡



PREPARE
STRATEGICALLY.



INCREASE
VALUE.



EXIT ON
YOUR TERMS.

*Plan well.
Prepare now.
Create freedom later.*



— FRANK —
TURNER

STRATEGIC ADVISOR TO BUSINESS BUILDERS

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Now the general who wins a battle
Makes many calculations in his temple before the battle is fought.

The general who loses a battle makes but few
calculations beforehand.

Thus do many calculations lead to victory,

And few calculations to defeat:

How much more no calculation at all!

It is by attention to this point

That I can foresee who is likely to win or lose.

Sun Tzu
The Art of War

*Where there is no guidance, the people fall,
but in abundance of counselors there is victory."*

Proverbs 11.44

*"Without Consultation, plans are frustrated,
but with many counselors they succeed."*

Proverbs 15.22

*"The plan in the heart of man is like deep water,
and a man of understanding draws it out."*

Proverbs 20.5



When it comes to selling their business, most owners say, “I’m tired ... I think I’ll sell my business today.”

The problem is every year 200,000 businesses are offered for sale, and only 10% of them will sell. Why? There are several answers to that question, but the main reason is their decision to sell is REACTIONARY. They have no plan. And no plan usually means there hasn’t been any preparation.

I wish I could shake the shoulders of every business owner in America, look them in the eye, and tell them, “If you would only give yourself two to three years of runway, you’ll DOUBLE your exit value.”

This idea is what this workbook is about:

1. Carefully Prepare
2. Double Your Value

The steps that are outlined in this workbook are designed to help you navigate the stressful and high-stakes process of preparing your business and as thoroughly and inexpensively as possible.

- | | |
|----------------|--|
| Step 1: | Provoke “Big” thinking with the
5 Immutable Laws of Winning + Q&A |
| Step 2: | Score your readiness to sell with my
Exit Readiness Assessment |
| Step 3: | Create your first Action Plan with
Key Takeaways |
| Step 4: | Define the your Audience and Numbers with
Back to Basics |
| Step 5: | Learn the steps to doubling exit value with
Maximize Exit Value |

TOP 5 Reasons

Why Preparing for Exit is Urgent:

1. IT'S MOST OF THE MONEY:

- On average, 70% of business owners' wealth is tied up in their business. There is only ONE SHOT to maximize value.

2. NO PREP = NOT SELLABLE:

- Of the 200,000 US small businesses that are listed to sell every year, 90% will not sell ... mostly because they're a mess. Take time to PREPARE your business so you can get all that you deserve.

3. SUDDEN ILLNESS = NO VALUE:

- 40% of businesses offered for sale are due to a tragic event, usually a catastrophic illness, rendering the business valueless. Then it's too late. Please plan ahead.

4. AN ASSET IS MORE VALUABLE THAN A JOB:

- It's more difficult to sell a "job" than sell an asset ... buyers want assets. But it takes time for smart systems to replace good owners.

5. INCOME = VALUE:

- In most cases, business value is a multiple of income. It takes a few tax cycles to move from "hiding income" to bragging about income.



Step 2:

**Selling your business is the biggest decision
you'll make in your professional life.**

Are you ready to lean into the process?



EXIT READINESS ASSESSMENT

PERSONAL OVERVIEW

PERSONAL FINANCES

BUSINESS FINANCES

BUSINESS SYSTEMS

MODERNIZED MARKETING



Your Name

Your Email (So we can send you a copy)

Your Cell Phone (So we can communicate)

Please complete the following assessment
by clicking on the boxes to access the dropdown menu.
Your **Exit Readiness Score** will be calculated automatically.

If you're curious about your **Exit Readiness Score**,
or if you'd like to prepare your business for sale,
please schedule a call with Frank Turner

559.210.4333





PERSONAL OVERVIEW

Disagree _____ Agree
1 2 3 4 5 6 7 8 9 10

I feel great about someone else owning and Running the business that I bled to build. _____

My spouse and family are in full agreement with selling the business. _____

I have a post-sale plan for my lifestyle, and am confident that I will be happy with what occupies my time. _____

My personal and business finances are not commingled in any way. _____

I have completely figured out the structure of the sale; Cash Sale vs. Seller Financing vs. Structure a Trust. _____

1. ADD UP THE ABOVE SCORES: _____

2. Multiply your total by 2, divide by 100: _____ %

3. What is your **PERSONAL OVERVIEW** grade? _____
A, B, C, D, F



PERSONAL FINANCES

Disagree Agree

1 2 3 4 5 6 7 8 9 10

I am exceedingly confident that I will be able to exit my business with maximum dollars in my pocket. _____

I am confident that I know the optimum deal structure that maximizes my exit value. _____

I have a team of Advisors and Experts already assembled to help me maximize my exit value. _____

I have constructed a detailed exit plan with my Advisory Team. _____

After sale, I know exactly what I'll do with the proceeds. _____

1. ADD UP THE ABOVE SCORES: _____

2. Multiply your total by 2, divide by 100: _____ %

3. What is your **PERSONAL FINANCES** grade? _____
A, B, C, D, F



BUSINESS FINANCES

Disagree _____ Agree
1 2 3 4 5 6 7 8 9 10

I feel at peace about the financial condition of my business. _____

Right now, I am comfortable sharing the financial truth of my business with a potential buyer. _____

We currently disclose all the profits we can to the IRS in order to document the company's value. _____

We have prepared all the documents a buyer wants to see. _____

A buyer would eagerly pay top dollar for my business. _____

1. ADD UP THE ABOVE SCORES: _____

2. Multiply your total by 2, divide by 100: _____ %

3. What is your **BUSINESS FINANCES** grade? _____
A, B, C, D, F



BUSINESS SYSTEMS

Disagree _____ Agree
1 2 3 4 5 6 7 8 9 10

**Our business has a solid and consistent AI strategy, _____
and we are confident we won't be left behind
as the new tech takes over.**

**We use clearly communicated "Standard
Operating Procedures (SOPs)" in our operation. _____**

**I know experts who can help us set up
Systems & SOPs in the next year. _____**

**Our Leadership Development trains managers
to excel in decision making so that the owner(s)
direct involvement is not required. _____**

**I (the owner) am comfortable leaving for
60 days knowing things will be fine without me. _____**

1. ADD UP THE ABOVE SCORES: _____

2. Multiply your total by 2, divide by 100: _____ %

3. What is your **BUSINESS SYSTEMS** grade? _____
A, B, C, D, F



MODERNIZED MARKETING

Disagree _____ Agree
1 2 3 4 5 6 7 8 9 10

Our business has a reliable and predictable **REVENUE SYSTEM** and consistently brings in new sales leads and turns them into new clients _____

Our business can track and prove sales that originate from our Social Media strategy. _____

We have a competent Social Media team who posts **AT LEAST 5** times per week. _____

We have a steady digital lead-generation system that gives us a predictable flow of sales. _____

We have a consistent **CUSTOMER FEEDBACK LOOP** that helps us understand our customers' changing needs so we can confidently serve them for years to come. _____

1. ADD UP THE ABOVE SCORES: _____

2. Multiply your total by 2, divide by 100: _____ %

3. What is your **PERSONAL OVERVIEW** grade? _____
A, B, C, D, F



Exit Readiness Score

Scores from previous sections:

PERSONAL OVERVIEW _____

PERSONAL FINANCES _____

BUSINESS FINANCES _____

BUSINESS SYSTEMS _____

MODERNIZED MARKETING _____

ADD UP THE ABOVE SCORES, divide by 5: _____ %

This is your **EXIT READINESS SCORE.**

And here is what it means ...



If your EXIT READINESS SCORE is under

60%

**You're simply not ready to sell your business.
You have work to do. It's a smart idea to hire an
exit specialist or work with an experienced
Business Broker.**

If your EXIT READINESS SCORE is between

60% and 80%

**You're in pretty good shape.
But you need to polish things up.
Remember ... you only get ONE SHOT at selling
your business, so it's imperative that you do your
very best to strengthen your Exit Value.**

When your EXIT READINESS SCORE is above

80%

**You're ROCKIN' it.
Let's polish things up and get your business listed!**



EXIT ACTION PLAN

- 1. Identify Weaknesses**
- 2. Assign Responsibility**
- 3. Assign Solution Due Date**



EXIT ACTION PLAN

PERSONAL OVERVIEW

Most Pressing Priority:

- **Who is Accountable?**
- **How Can They Help?**
- **When is Solution Due?**
 - Month/Day/Year

PERSONAL FINANCES

Most Pressing Priority:

- **Who is Accountable?**
- **How Can They Help?**
- **When is Solution Due?**
 - Month/Day/Year

BUSINESS FINANCES

Most Pressing Priority:

- **Who is Accountable?**
- **How Can They Help?**
- **When is Solution Due?**
 - Month/Day/Year



EXIT ACTION PLAN

BUSINESS SYSTEMS

Most Pressing Priority:

- **Who is Accountable?**
- **How Can They Help?**
- **When is Solution Due?**
 - Month/Day/Year

MODERNIZED MARKETING

Most Pressing Priority:

- **Who is Accountable?**
- **How Can They Help?**
- **When is Solution Due?**
 - Month/Day/Year

Next is a 1-Page Summary of your top priorities, along with who will help solve the issue, with a due date.

Save this page and send it to your team.

Once these issues are being resolved, go through the same process with the next priority.

Priority	EXECUTION
PERSONAL OVERVIEW	PROBLEM: WHO SOLVES: HOW SOLVED: WHEN SOLVED:
PERSONAL FINANCES	PROBLEM: WHO SOLVES: HOW SOLVED: WHEN SOLVED:
BUSINESS FINANCES	PROBLEM: WHO SOLVES: HOW SOLVED: WHEN SOLVED:
BUSINESS SYSTEMS	PROBLEM: WHO SOLVES: HOW SOLVED: WHEN SOLVED:
MODERNIZED MARKETING	PROBLEM: WHO SOLVES: HOW SOLVED: WHEN SOLVED:



Step 4:

**If Your Goal is to Maximize Your Exit Value,
You Must First Know Your Basics:**

- 1. Write Down Your Values***
- 2. Define Your Target***
- 3. Know Your Numbers***



BASICS:

Leaders Need Clear Values

*Passion is a mighty river, its source a convicted heart;
Her white-hot fire birthed from sacrificial spark.
Coursing through humanity, consuming dreamless souls,
Passion grows when spent, those touched left craving more.*

*Passion can move mountains and stir the hearts of men;
She is a beacon to the lost, muse of those whom she befriends.
Empowering her apprentice, nothing blocks her advance;
Passion has no limits, no border can hold her back.*

*Passion is a tireless lover whose touch leaves hearts
emblazoned;
She deeply impacts the core of everything she embraces.
Giving new perspective, courageous through the pain;
Passion makes the difference, and leads to manifold gain.*

Frank Turner, Summer 2005



BASICS: Leaders Need Clear Values

Do you want to be a person of **PASSION** and enjoy the astounding success that comes with it?

Do you want to become a “**LEADER**,” a person of great accomplishment, the type with laser-beam focus whose enthusiasm for life is so fantastically intense that people around you can’t help but catch the fever anytime you’re near them?

Wouldn’t you like to feel what that level of accomplishment is like?

The good news is those seeds of greatness are already in you. But the secret of a great harvest comes not in finding hidden seeds. Great harvests come when seeds are sown in fertile ground and cultivated with patient and consistent care until the harvest is plentiful.

Your hopes, your gifts and your skills are just waiting to join together in your heart’s impassioned fire ... as your dreams are acted on, and become reality.

All you need to do is sow the right seeds into the fertile ground of your heart and cultivate it with positive reinforcement until the harvest comes.

Those seeds are your **VALUES**, because your **VALUES** define who you really are. Uncover your **VALUES** and you’ll find your potential. And when you lean into your **VALUES** with fearless passion and uncompromising persistence, your life will become what you’ve always dreamed it could be.

IN THIS SECTION, precisely define your “**Values**,” those ideas that have motivated you all these years.



BASICS: My Values

Answered quickly, what are the 5 most important things in your life right now?

In 30 seconds, what are your three most important goals?

If you knew you were going to die any time in the next three months, how would you spend your time?

In 60 seconds or less, what would you do differently if you were given \$1 million tax-free right now?



BASICS: My Values

What have you always wanted to do, but something held you back from doing it?

What is the one thing you enjoy doing in the whole world that gives you the greatest self-esteem and satisfaction?

If a genie in a bottle guaranteed absolute, unequivocal success in three things, what would you want them to be?



SUMMARIZE: My Values

Take a minute to re-read all your answers to the “VALUES” questions. Summarize your first impressions of what you value in life.

Write down any words or themes that are repeated in the preceding questions.

Now that you have written down your values, how would you define who you are?

How do you think a person with these values should lead their Marriage, Family, Business, Employees, and Partners?



BASICS: Define Your Target

BASICS: My Target

"IF YOU DON'T KNOW YOUR TARGET, YOU'LL NEVER HIT IT."

IN THIS SECTION, precisely define your "Target Audience," the exact stereotype of the person to whom you're selling your product / service.

Picture the best customer you have ever had, whose purchase went the smoothest, and describe them:

Describe your ideal "Prospective" Audience – those you hope will do business with you: (What are the first attributes that come to mind?)

Describe your "Affinitive" Audience: (what do they participate in – social organizations, clubs, politics, sports, hobbies, trade assoc.)

Describe your "Demographic" Audience: (age, sex, income, religion, ethnicity, etc.)



SUMMARIZE: My Target

Based on your previous answers, summarize as concisely as you can who your Target Audience is:

NOTE: A business happens when a specific group of people (your Target) experiences a common pain-point that: 1.) You solve better than anyone else, and 2.) Your solution offers more value than the cost.

What is your Target's most painful problem that you want to solve?
(No pain = no business)

Describe what is missing from their lives / businesses that you are trying to fulfill:

How do you solve that problem better than anyone else?

How do you offer your solution in a way that offers more value than cost?.



BASICS:

Know Your Numbers

In my work with dozens of business owners helping them strategic planning and business funding, I have seen some astoundingly crappy financial statements,

After participating in more than 100 business plans and financial statements analyses, I am convinced that many business owners succeed despite themselves. **DON'T BE THIS KIND OF OWNER.**

Know your numbers.

Successful business owners are masters at managing their numbers.

Of course many business owners are artisans and not managers. Doctors, restaurateurs, auto mechanics are wonderful at their craft. But few are wonderful business managers. If you feel that you are in this category, this makes you "normal." But it is important to obtain help from a trustworthy financial professional so you can accelerate your growth ... and your enjoyment of your accomplishments.



Why Knowing Your Numbers is Essential

Informed Decision-Making:

Numbers serve as a business map, providing data-driven insights to minimize risk and make sound choices about pricing, expenses, and growth strategies.

Profitability and Growth:

Understanding your net profit margin helps you identify what's working and what isn't, allowing you to focus on profitable offerings, price services appropriately, and ultimately make more money.

Financial Health & Stability:

Tracking financial statements like the [Profit & Loss Statement](#) and [Balance Sheet](#) paints a true picture of your business's financial health, allowing for proactive management and avoidance of bankruptcy.

Identifying Trends and Issues:

Regularly reviewing numbers helps you spot trends, uncover inefficiencies, identify areas of waste, and recognize potential problems before they become major crises.

Forecasting and Planning:

Knowing your numbers allows for more accurate forecasting and planning for seasonal fluctuations, helping you to prepare for the future and allocate resources effectively.

Increased Control:

With a clear understanding of your financials, you gain more control over your business, transforming information into actionable insights and a roadmap for success.



Key Numbers to Track

Revenue:

The total amount of money coming into the business from all sources.

Gross Margin:

Revenue per transaction, minus direct costs (labor + materials) needed to produce the transaction.

Expenses:

Understanding the costs associated with running the business to find areas for cost-cutting. Compare these expenses to industry averages so you can gauge how effectively your business is being managed.

Net Profit Margin:

The percentage of sales that remains as profit after all expenses are deducted. Keep in mind that as you under report profits to protect against taxes, you are negatively impacting your business' valuation.

Cash Flow:

The movement of money into and out of the business. The best financial ratios to track cash flow in a small business are the Current Ratio, Quick Ratio, and Cash Ratio because they measure a business's ability to meet short-term obligations using different levels of asset liquidity.

Average Customer Value:

The average revenue generated by each customer over a specific period. Most businesses calculate by adding up the purchases a client makes over a 3-year period.



BASICS: My Numbers

How much do you charge for product / service?

What is your average transaction amount, or average client spend?

What is the Gross Margin of your average transaction amount?

What is your monthly overhead, or operating costs per month?

Based on your Gross Margin per average transaction, how many sales do you need to make every month to break even? How many sales are needed to 3x your monthly operating costs?

BE: _____ 3x: _____

How many average transactions do you actually sell each month?

How many average transactions will you sell this calendar year?

How many average transactions did you sell last year?



BASICS: My Numbers

A: What is the Gross Margin of your average transaction amount?
(see your answer above)

B: How many times per year do your clients make an average transaction?

C: For how many years do your average clients continue to purchase from you?

Combine A + B + C to compute your company's LTGP (Lifetime Gross Profit):

What is your company's monthly CAC (Customer Acquisition Cost)?
$$\frac{\text{Total Sales} + \text{Marketing Costs}}{\text{New Customers Acquired}}$$

If you could control every relevant variable, what would your "dream CAC" be?

What can you begin doing TODAY to narrow the difference between you "Current CAC" and your "Dream CAC"?



OK ... let's take a breath and review what we've accomplished so far, and prepare for what's coming.

We started with the big thinking of the Five Immutable Laws of Winning.

Keeping in mind that the reason for this book is to prepare your business for sale so you can DOUBLE your exit value, we assessed how ready you are to sell your business.

Then we put together an Action Plan with Key Takeaways.

And we went Back to Basics by analyzing your Target Audience and your Numbers.

At this point I advise you to review what you've accomplished thus far. Look over your answers. Now that your answers have marinated in your thinking, you might consider changing a few of them.

Now that you've reviewed the previous sections of this process, let's get into the "meat" of this process ...

"How to Maximize Your Exit Value in Three Simple Steps."



MAXIMIZE **Exit Value**

Step 5:

**You only get ONE SHOT
at selling your business,
So you better get it right!**

- 1. Firmed Up Financials**
- 2. Mechanized Management**
- 3. Modernized Marketing**

MAXIMIZE Exit Value

YOU ONLY GET

**ONE
SHOT**

So ... you better get it right.

Double Your Value

Sure, you can sell your business tomorrow. But because you've been minimizing your tax liability, you've also been minimizing your EBITDA, which means you're also minimizing the value of your company.

If you really want to maximize your exit value, plan ahead and give yourself two to three years to:

1. Stop hiding revenues and begin bragging about them
2. Put the right systems in place, and
3. Create predictable sales funnels

**THEN you can reasonably expect to
DOUBLE YOUR EXIT VALUE.**



Isn't that worth investing in?

MAXIMIZE **Exit Value**



FIRMED UP FINANCIALS

THE KEY:

**In the next two to three years,
convert from hiding income
to bragging about it.**

MAXIMIZE Exit Value

1. FIRMED UP FINANCIALS

From Hiding to Bragging

When we run a profitable business, it's our main obligation to reduce our most costly expense - TAXES.

No one can be blamed for legally avoiding as much tax liability as possible. As a responsible business owner, it is your moral obligation to do so.

The problem is that businesses are typically sold for multiples of cash flow, or EBITDA, "Earnings Before Interest, Taxes, Depreciation and Amortization." In other words, your business' value is a multiple of its verifiable income. This means your "moral obligation" of hiding income is also devaluing your business.

**THE KEY: In the next two to three years,
convert from hiding income
to bragging about it.**

If you want to maximize your exit value and get all you can out of the business you bled to build, then give yourself a two- to three-year runway. This takes your business through two to three tax cycles so your tax returns and financial statements reflect as much income as possible.

Also, during your runway period, work closely with your internal and external accounting team to develop a strategic plan for the exit. Then make sure you're working with a capable business broker who can add value to that plan.

MAXIMIZE Exit Value

Firmed Up Financials

1. What is your timeline to exit?

2. What is your goal for the exit?

3. What is your plan AFTER the exit?

4. What are the 5 most important things you need to do to prepare for the exit?

5. Who are the 5 most important people who will help maximize your exit?

a. Internal Accounting

b. External Accounting

c. Key Manager

d. Marketing Expert

e. Business Broker

MAXIMIZE **Exit Value**

Firmed Up Financials

- 6. Of the 16 areas of documentation detailed in Appendix C at the end of this book, which 3 are you MOST confident you have in place and ready to hand over to a prospective buyer for due diligence?**

- 7. Of the 16 areas of documentation detailed in Appendix C at the end of this book, which 3 are you LEAST confident you have in place and ready to hand over to a prospective buyer for due diligence?**

- 8. In your estimation, what is your most important priority right now to prepare your documentation?**



***MECHANIZED
MANAGEMENT***

THE KEY:

**In the next two to three years,
invest in the development
of systems that demonstrate
your business is an ASSET ...
not merely a high paying job.**

MAXIMIZE Exit Value

2. MECHANIZED MANAGEMENT

Plug and Play Processes Rule the Day

When a buyer is acquiring a business, they're seeking an "asset" to purchase. However, many businesses are run as a job for the business owner.



***"If you can leave for 90 days
and your business grows,
you have a business.
If not, you have a job."***

The smaller the business, the more it tends to be run as a job. The larger the buyer (those who tend to buy for higher multiples), the more **they're looking for a personality-free asset.**

In a smoothly run operation, processes rule the day. Systemized processes are what buyers want to see. Yet busy entrepreneurs typically spend their time chasing cash flow for next week's payroll and simply don't have the time to create "systems."

If your goal is to maximize your exit value, then you need to make your business as "absentee owner" as possible. Your exit-planning priority must therefore be developing leaders and key personnel into capable rockstars so they can thrive in your absence. Mentor them ... and everybody wins.

**THE KEY: In the next two to three years,
invest in the development of systems that
demonstrate your business is an ASSET ...
not merely a high paying job.**

MAXIMIZE Exit Value

The Twelve Business Systems

The establishment and execution of well-defined and well-followed systems can DOUBLE the value of your business.

1. **The Enterprise Management System** delivers company strategy, establishes the company scorecard, executes M&A activities while monitoring organizational performance through structured management review.
2. **The Financial Management System** manages and monitors the flow of capital through the enterprise, including financial transactions, accounting, and financial metrics.
3. **The Facilities Management System** acquires, develops, constructs, and maintains enterprise facilities to provide a suitable working environment.
4. **The Equipment Management System** specifies, installs, calibrates, and maintains equipment utilized to deliver the firm's value proposition.
5. **The Employee Management System** qualifies, hires, monitors, develops, and terminates employees to provide capable personnel that deliver their assigned organization responsibilities.
6. **The Information Management System** controls information, security, and data related to the business requirements, including hardcopy, electronic, and web.
7. **The Customer Development System** manages the customer experience, from first contact with the new prospect or lead through the first order for product or services, with ongoing account management and maintenance.

MAXIMIZE Exit Value

The Twelve Business Systems

8. **The Product Development System** conceives, plans, develops, tests, and delivers new products and services, as well as obsoleting previously active products and services.
9. **The Supplier Development System** manages and monitors suppliers of materials and services to the enterprise, covering the complete supplier life cycle, from qualifying, setup, contact, development, and management through disqualification.
10. **The Operations Management System** executes, delivers, and manages the enterprise creation of customer value while including service quality, responsiveness, and economic value.
11. **The Service Management System** manages post production services, including installation, maintenance and service management, and customer follow-up, complaint handling and resolution.
12. **The Improvement Management System** organizes, manages, and monitors enterprise performance improvement, including products, services, processes, customer feedback and response, opportunity analysis, and corrective action.

If you can give yourself two to three years to put systems in place, and if you don't mind hiring the necessary expertise to help, then you'll likely see your valuation DOUBLE from the effort.

MAXIMIZE Exit Value

Mechanized Management

1. Of the 12 Systems listed in this section, which has your business implemented?

2. Which systems are strengths of your business?

3. Which systems are weaknesses?

4. Which systems do you need to correct before a competitor takes advantage of the weak link?

5. Who are the 3 most important people that are capable of leading this organization in your absence, and who can benefit a potential buyer?

6. What is your business doing to cultivate the leadership abilities of your current managers, so you don't have to be involved in every detail?

MAXIMIZE Exit Value

Mechanized Management

7. Of the 5 AI Systems listed on pages 25 - 29 of this Workbook, list the 3 systems that have the most promise for your organization.

8. If you were forced to choose just one AI System to integrate into your business, which would you choose? Explain why.

9. What has been keeping you from fully buying into AI and its many opportunities for efficiency?

10. Commit or lose to those who do:
What is the next calendar month?
What is the date of the first Monday of that month?
That Monday starts your process of training your staff and/or hiring help to integrate AI Systems.



***MODERNIZED
MARKETING***

Key Point:

**If you have a predictable
REVENUE SYSTEM**

**Your business will be worth more,
And will be more desirable
to investors.**

MAXIMIZE Exit Value

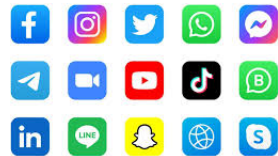
3. MODERNIZED MARKETING

Public Perception is the Buyer's Perception

Today, most businesses that are preparing for sale are owned by Baby Boomers who have been successful, sent their kids to college, and are facing the disheartening fact that their kids don't want to take over the business for which the owner sacrificed and bled.

Over the years, the now-retiring Boomer skillfully grew their business as best they knew how, with traditional advertising and guerilla marketing ... techniques that have aged along with the entrepreneur. Today's marketing options are dramatically different from the "traditional" techniques, and may not have been adopted well by the "old school" entrepreneurs.

Today's marketing options include Digital Advertising, Social Media Promotion, Long Form Podcasts, Short Form Reels, and many more. The simple fact is these avenues are researched by the consumer BEFORE they approach the business for a purchase. The same is true for potential buyers of the business.



Key Point:

"If customers can't see you, you're invisible.

If you're invisible, you're unsellable."

If you want to maximize your exit value and get all you can out of the business you bled to build, then give yourself a two- to three-year runway to aggressively build the company's online presence so the buyer is impressed and confident that the business can continue to perform "as is," especially during the vulnerable ownership transition.

MAXIMIZE Exit Value

3. MODERNIZED MARKETING (continued)

“FREE ADVERTISING” is not FREE

Developing and executing an effective online marketing strategy is difficult, and often expensive.



Costs for “free” Social Media posts add up, and include decent video and audio equipment, lighting equipment, controlled environment for interviews and podcasting, and post production / editing.

As an established and successful entrepreneur, you may emphatically and justifiably disagree with your need for “Modernized Marketing” that features a Social Media presence. Afterall, you’ve done it your way for years and it worked fine, right?

Regardless, keep in mind that when selling your business, your customers are not the focus. YOUR BUYER IS THE FOCUS. Until you sell, their interests are what matter.

Therefore, it’s important to keep in mind that savvy business buyers will pay a premium for a company with marketing that is:

1. Original
2. Predictable
3. Sustainable

MAXIMIZE Exit Value

Here is a breakdown of Social Media platforms and their usefulness to marketing strategy:

Media Platform	Audience*	Usefulness
Google Reviews	Age 30+	Influence decisions, SEO
Facebook	Older Wives	Household decisions
Twitter	42% = 18-29	Young professionals
Instagram	71% = 18-29	Influencer advertising
SnapChat	65% = 18-29	Younger audience
TikTok	50% = 18-29	Fast adaptation of videos
Youtube	80% all ages	SEARCHABLE Platform
LinkedIn	80% = 30-50	High Income Pro
Podcasts	Age 30+	Fast growth, long form

Of the platforms listed above, which THREE do you think is best for your business?

MAXIMIZE Exit Value

Modernized Marketing

Story Ideas for Modern Media

How You Started	Biggest Lessons
First Customer	Biggest Victories
Day to Day Routine	How Products Are Made
Staff Interviews	Client Interviews
Upcoming Holidays	Upcoming Product Ideas

In 1 MONTH, what long form content will you post on YouTube. What short form content on other platforms?

In 2 MONTHS, what long form content will you post on YouTube. What short form content on other platforms?

In 3 MONTHS, what long form content will you post on YouTube. What short form content on other platforms?

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Modernized Marketing

In 4 MONTHS, what long form content will you post on YouTube. What short form content on other platforms?

In 5 MONTHS, what long form content will you post on YouTube. What short form content on other platforms?

In 6 MONTHS, what long form content will you post on YouTube. What short form content on other platforms?

In 9 MONTHS, what long form content will you post on YouTube. What short form content on other platforms?

In 1 YEAR, what would you like to have accomplished with your Social Media efforts?

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PRODUCTION SCHEDULE

How Many Posts per Month? _____

Who Produces The Videos? _____

Who Posts to Media Platforms? _____

Months Out	Idea
• 1 month	_____
• 2 months	_____
• 3 months	_____
• 4 months	_____
• 5 months	_____
• 6 months	_____
• 9 months	_____
• 1 year	_____



Appendix A:
Subscriptions, The Holy Grail

Appendix B:
The Exit Plan

Appendix C:
Complete Exit Prep List

Appendix D:
Artificial Intelligence

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Appendix A: Subscriptions, The Holy Grail

“In a subscription model, instead of selling a finite product, you are essentially renting access to it over time.”

- John Warrillow, The Automatic Customer

Why is the subscription model the “The Holy Grail” of exit strategy? Because business buyers, especially Private Equity firms, can calculate monthly recurring revenue (MRR), and accurately predict the customer lifetime value (LTV), two very important metrics used in calculating business value.

Maximizing your exit value must include efforts to maximize your EBITDA “Multiple.” That multiple is the magic of your ROI. [If you can figure out how to convert a good portion of sales into subscriptions, you will dramatically INCREASE YOUR MULTIPLE.](#)

Let’s calculate these metrics for a hypothetical SaaS company with a \$1200 per year subscription whose customers average 30 months with the company, and 3% of clients end their subscription each year. Further assume the company spends \$2000 per month and averages 25 new customers, who are managed customer service staff at a cost of \$10 per month, per client.

• MRR	\$1200 / 12 months	\$100
• LTV	\$100 x 30 months	\$3000
• CAC	\$2000 / 25 new clients	\$80
• Churn	3% end subscriptions	5%
• Margin	\$10 per client	\$10

Private Equity firms look for companies with a “viable” MRR:CAC of 3:1 or higher.

Subscriptions, The Holy Grail

3 Benefits of a Subscription Business Model

What exactly is it that drives the adoption of the Subscription Business Model, and why is it so attractive to business buyers?

1. Predictable Revenue Stream

Once you've been operating long enough to collect data, the number of customers you gain and lose in a given time frame will be more predictable, making it easier to judge what your income will look like from one month to the next.

2. Recurring Revenue

One of the big disadvantages of selling software for a one-time price is that you need to make massive improvements to the product in order to get people to buy the next version. This means holding back updates until a new version comes out. Recurring revenue solves that problem; customers get updates quicker and you are constantly getting paid.

3. Stronger & long-term customer relationships

With one-off pricing, customers pay you and the relationship largely fades into the background unless they need customer support or a new version is released. Because of the continuous update cycle of subscription-based software, your ability to respond to customer feedback in a timely manner and build the relationship is improved.

Excerpted from a great article. Worth the 5 minutes to read it:
<https://sbigrowth.com/insights/subscription-business-model>

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Appendix B:

Exit Plan: THE TEAM

Assemble the Pros

Here are some professionals to pull into your EXIT PLANNING TEAM:

1. Attorney with M&A experience
2. Your current accountant
3. A Social Media Manager (if you don't already have one)
 - a. This person eliminates many headaches
4. A business broker who lists your business for sale, and offers strategies that will maximize your value
5. A **Project Manager** who ensures your EXIT PLAN moves forward as smoothly as possible



These professionals may very well cost you \$4k to \$8k per month, possibly for a couple years. Don't worry, when the target is doubling your exit value, the means justify the ends.

Assemble Owner-Mentors

Owners who consult other owners enjoy many benefits:

- | | |
|--|-----------------------|
| Mentoring | Accountability |
| New Ideas and Insights | Blindspots Eliminated |
| Thousands of dollars saved by learning from those who have gone there before you | |

Assemble Allies

In most cases, Owners want to keep quiet the idea that they may be selling the business. But if you have a few key employees who can help with the preparation, you are lucky indeed.

MAXIMIZE Exit Value

Exit Plan: PROJECT MANAGER

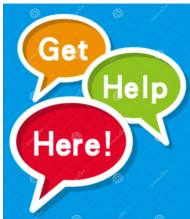
When owners prepare to sell their business, they have to be very careful to not rock the boat during the process.

- If key employees find out you're selling, they may jump ship to a competitor.
- If vendors find out you're selling, they may jump ship to a competitor.
- If industry insiders find out you're selling, they may leak the news and cause an acceleration of all things bad.

Each of these reactions negatively impacts income, this will negatively impact your sale price.

This is why most owners want to keep the news quiet. While this could hurt the feelings of long-time and trusted employees, the outcome - YOUR SALE PRICE - is worth the secrecy.

However, with all the "Preparation for Exit" work starts to be done, some employees can't help but jump to the conclusion that "Something's Up."



A technique that Exit Planners commonly deploy is the use of a "**Project Manager**" who is publicly hired as a "Growth Manager" but who is the "Exit Planner."

The Project Manager idea seems to be the best way to get both sides to buy into the idea.

The bottom line is it's to your advantage to keep your business's sale a secret for as long as possible. Disclose only as absolutely necessary. And get help when and where you can.

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EXIT PLAN: Year 1 Sample

Month 1:

- Assess Business's Current Value as Baseline
- Develop EXIT PLAN, Internal "Growth Plan"
 - Include Leadership & Key Personnel
 - Design Profit Incentives
- Assemble COHORT: Your Team of Advisors, Mentors and Key Personnel ("Cohort")

Month 2:

- Assess All Current Systems: Find Strengths & Weakness
 - Find weaknesses. Exploit strengths
- Design Main 3 Systems
 - Automated Sales Funnel
 - Leadership & Management Training
 - Accounting to Emphasize Profits
- Cohort Meeting #1: Progress Report & Suggestions

Month 3:

- Customer Feedback Loop #1: Interview 100 Clients
- Initiate Leadership Training
- Cohort Meeting #2: Progress Report & Suggestions

Month 4:

- Initiate Automated Sales Funnel
- Cohort Meeting #3: Progress Report & Suggestions

Month 5:

- Customer Feedback Loop #2: Interview 100 Clients
- Cohort Meeting #4: Progress Report & Suggestions

Month 6:

- Review All Initiatives: Edit Evolving Exit Plan
- Cohort Meeting #5: Progress Report & Suggestions

MAXIMIZE Exit Value

EXIT PLAN: Year 1 Sample

Month 7:

- Customer Feedback Loop #3: Interview 100 Clients
- Review Leadership & Management Training
 - Adjust Based on Performance
- Cohort Meeting #6: Progress Report & Suggestions

Month 8:

- Review Automated Sales System
 - Adjust Based on Momentum
- Find Weaknesses. Exploit Strengths
- Cohort Meeting #7: Progress Report & Suggestions

Month 9:

- Assess All Systems: Find Strengths & Weakness.
- Intensify Leadership Training, Hire Expert / Coach
- Cohort Meeting #8: Progress Report & Suggestions

Month 10:

- Financials Overview #1
- Clarify Standard Operating Procedures (SOPs)
- Cohort Meeting #9: Progress Report & Suggestions

Month 11:

- Financials Overview #2
- Interview Leaders & Key Personnel: "Tune In"
- Cohort Meeting #10: Progress Report & Suggestions

Month 12:

- Financials Overview #2
- Empower Leaders & Key Personnel with Authority
- Review All Initiatives: Edit Evolving Exit Plan

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Appendix C: **Complete Exit Prep List**

Each of these documents must be clearly presented, easy to follow, and brag about your peak potential.

- 1. Annual Financial Statements**
 - a. 3 Years minimum, up to 5 years
 - b. Cash Flow Statement
 - c. Income Statement
 - d. Balance Sheet
- 2. Monthly Income Statements, Previous 12 months**
- 3. Accounts Payable Aging Schedule**
- 4. Account Receivable Aging Schedule**
- 5. Schedule of Inventory**
 - a. Valuation Methodology
 - b. Turnover
 - c. Identification of Obsolete Inventory
- 6. List of Unrecorded Liabilities**
 - a. Leases
 - b. Personal Guarantees
- 7. Projections / Capital Budgets / Strategic Plans**
 - a. By Product Types
 - b. By Key Customer
 - c. By Sales Channel
- 8. Risk Analysis**
 - a. Supply Chain
 - b. Inflation
 - c. Outside Risks
- 9. List of Non-Operational Expenses**
- 10. Revenue Streams**
 - a. Recurring or Non-Recurring revenues
 - b. Sales Backlog

MAXIMIZE **Exit Value**

Complete Exit Prep List

11. Litigation

- a. A list of all pending litigation
- b. Descriptions of threatened litigation

12. General Information

- a. Industry trends and threats
- b. List of competitors

13. Licenses and Permits

- a. Copies of all federal, state, local permits required to operate business

14. Real Estate

- a. Listing of all owned and leased properties
- b. Copies of deeds, mortgages, leases, titles

15. Intellectual Property

- a. Descriptions of all technical information, including patents, favorable IP defenses, etc.
- b. Copies of consulting agreements, invention agreements, and licenses of intellectual property to and from the company

16. Employees

- a. Key Employees, potential loss of talent from sale
- b. All non-disclosure, non-compete and non-solicitation agreements between employees and company
- c. HR Review of employee policies and benefits
- d. Descriptions of any labor disputes, arbitration, or grievances settled or outstanding of past 3 years



Parting Thoughts

This is your shot at the gold ring.
And, very likely, it's your ONLY shot.

With as much emphasis as I can conjure through these words, PLEASE exercise wisdom and plan your exit properly, with strategy and purpose.

Of course, it's your life and your business, and it is therefore your prerogative to do whatever the {*\$!} you want. But it's also an amazing opportunity to maximize your payday on the business you bled to build.

Maximizing your exit value is really hard. If you do it right, the next few years will require:

- More time than you have.
- More patience than you thought.
- More resources than you planned.

But the prize justifies the ride.

I wrote this book so I can help you throughout the entire process of selling your business. You can hire me as your Project Manager. You can hire my team to do your Social Media. And at the very least I can help connect you with other owners who have sold their businesses who will happily mentor you through the ups and downs of this challenging and lengthy process.

As a final thought ...

In my world, those who exit their companies are HEROES. The path that points to that glorious exit is strewn with blood, and pain, and setback after setback. Yet, you overcame. You conquered. And ... finally ... It's YOUR TURN for the gold ring.

- **Frank**
559.210.4333

HOW DO YOU DOUBLE YOUR EXIT VALUE?



How do you Double Your Exit Value?

Sure, you can sell your business tomorrow. But because you've been minimizing your tax liability, you've also been minimizing your EBITDA, which means you're also minimizing the value of your company.

If you really want to maximize your exit value, plan ahead and give yourself two to three years to:

Stop hiding revenues and begin bragging about them. Put the right management systems in place. And create predictable sales funnels.

THEN you can reasonably expect to **DOUBLE YOUR EXIT VALUE.**



FRANK TURNER IS REALLY GOOD AT SERVING BUSINESS OWNERS.

HERE'S WHY:



1 FIRST,

he's been an entrepreneur myself for 40 years. He's succeeded. And boy has he failed. Along the way he's gained diverse experiences that are very helpful for exciting growth opportunities and for complicated business transactions.



2 SECOND,

he's consulted business owners all over the country on business strategy, which gives him the opportunity to analyze many different business models and see what makes them win, and lose.



3 AND THIRD,

Frank LOVES entrepreneurs. He knows first-hand the blood and sacrifice that owners invest in their businesses, and he's committed to making sure owners are fully rewarded when they exit.

*Plan well.
Prepare now.
Create freedom later.*

— FRANK — TURNER

STRATEGIC ADVISOR TO
BUSINESS BUILDERS