RIX®

EXIT OPTIONS CHEAT SHEET

FIND THE RIGHT PATH FOR YOU

Every owner exits eventually. The question is whether it's on your terms. Do you sell to a third party? Transfer internally? Merge with a strategic business? Step back slowly while the business keeps running without you. Each path gets you somewhere different, and the right path is whatever is right for you. Here's a cheat sheet your exit options, when each one fits, and what it could look like in practice. Every business and transaction is different, so think of this as a guide.

EXIT OPTION	WHAT IT IS	WHEN IT COULD BE A GOOD FIT
Third-Party Sale	Selling your business to an external buyer, another company, private equity firm, or individual.	• You want a clean exit with maximum cash upfront. • Your business is highly profitable with a strong market position. • You're ready to step away entirely. • Ideal if your business can run independently of you.
Merger or Strategic Acquisition	Your business merges with or is acquired by another company to create synergies, increase market share, or eliminate competition.	• Your business aligns with another company's strategic goals. • A buyer sees your business as a key to their growth. • Best for businesses with unique products, IP, or significant market share.
Major or Minor Recapitalization	Restructure your business finances by selling a portion of equity to an investor while retaining partial ownership and operational control.	• You want to take some cash off the table but keep growing. • Ideal for reducing risk while staying involved. • Useful when seeking capital, expertise, or resources to scale. • Offers flexibility to cash out multiple times.
Management Buyout (MBO) or Training an Internal Successor	Sell the business to your management team or groom an internal successor for leadership and ownership.	• You have a capable management team already in place. • Ensures continuity and preserves company culture. • Ideal for gradual transitions, with mentoring opportunities. • Cost-effective compared to external sales or ESOPs.
Asset Sale	Sell individual business assets (equipment, IP, customer lists, etc.) instead of the entire entity.	• Your business isn't profitable, but components have value. • Simplifies the transaction process by avoiding liability transfers. • Works well in asset-heavy industries like retail or manufacturing.
Employee Stock Ownership Plan (ESOP)	Employees purchase ownership over time through a trust funded by profits or borrowed money.	• You want to reward loyal employees and preserve company culture. • Offers tax advantages for the seller and business. • Best for businesses with steady profitability and an engaged team.
Liquidation	Sell off all business assets and close the company entirely.	• Your business is struggling with no viable buyers. • Value lies primarily in the assets. • A quick, last-resort exit option.

Let's build something valuable together. Reach out to kiley@rayneix.com to learn more.