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Strategic Franchise Webinar Series

INTERNET BUSINESS SOLUTIONS

Mapping out Your Ultimate Franchise Exit Strategy

Webinar Starting Shortly



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You can text questions at any time during
the webinar to Dan Martin at 858-254-8360



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INTERNET BUSINESS SOLUTIONS

Everyone Will Exit

1. Death
2. Disability
3. Divorce
4. Sale
5. Transfer
6. IPO
7. Liquidation



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INTERNET BUSINESS SOLUTIONS

Exit Planning Steps

- Step 1 - Exit Objectives
- Step 2 - Valuation
- Step 3 - Building Value
- Step 4 - Sale to a Third Party
- Step 5 - Transfer to Insider
- Step 6 - Continuity Planning
- Step 7 - Wealth Preservation Planning



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INTERNET BUSINESS SOLUTIONS

Franchisee Dies or Becomes Incapacitated



Without an Exit Plan

Business Goes Into
Probate Court

Spouse Inherits or Takes
Over Business

With an Exit Plan

Business Continues
To Operate

Business Transfers
Ownership to a
M.U.S.T Trust ©
(Franchisor Approved)



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INTERNET BUSINESS SOLUTIONS

Franchisee Dies or Becomes Incapacitated

Without an Exit Plan

Spouse becomes New Business Owner (subject to approval and conditions of Franchisor)

Stream of Income in Jeopardy

With an Exit Plan

Implement Business Continuity Plan

Income Stream is Triggered



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Franchisee Dies or Becomes Incapacitated



Without an Exit Plan

Key Employees Lose
Faith and Leave the
Business; Lender and
Other Agreements May
Default

With an Exit Plan

Control Transfers to Board
of Directors and Advisors
of M.U.S.T. Trust ©



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Franchisee Dies or Becomes Incapacitated

Without an Exit Plan

- Sales Decline
- Competitors Lure Away Employees
- Business Value Deteriorates – Could Lose All Value

With an Exit Plan

- Continue Business
- Maintain/Enhance Value
- "Stay Bonuses" [Retention Agreements] to Keep Key Employees
- Prepare for Sale or Transfer to Next Generation
- Allow for Next Generation to be Groomed to Take Over Business
- Key Employee(s) Able to Buy Business



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Franchisee Dies or Becomes Incapacitated



Without an Exit Plan

Possible Fire Sale
(possibly no sale)

Family is unprotected in
transfer and gets Reduced
Residual Value, if any

With an Exit Plan

Business Sale and Estate
Receives Proceeds

Family enjoys the fruits of
Franchisee's labors; Family
inherits Franchisee Legacy



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Wealth Preservation Planning

MUST Trust

- **Business Owner is Trustee during his/her lifetime**

**Trust Holds Ownership
Interest in Business**

Advisory Board

- **Manages business if owner becomes incapacitated**
- **Upon death of owner, manages business until it is sold, dissolved or otherwise transitioned**
- **Possible members include spouse, key employees and advisors (accountant, attorney, etc.)**

**Assets remaining after
transition to business owner's
revocable trust**



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- ***Start Working on your Succession Plan today so you can...***
 - *Transition out of your business on the date you choose*
 - *Receive the cash that you need/want*
 - *Transfer your business to the successor of your choice*



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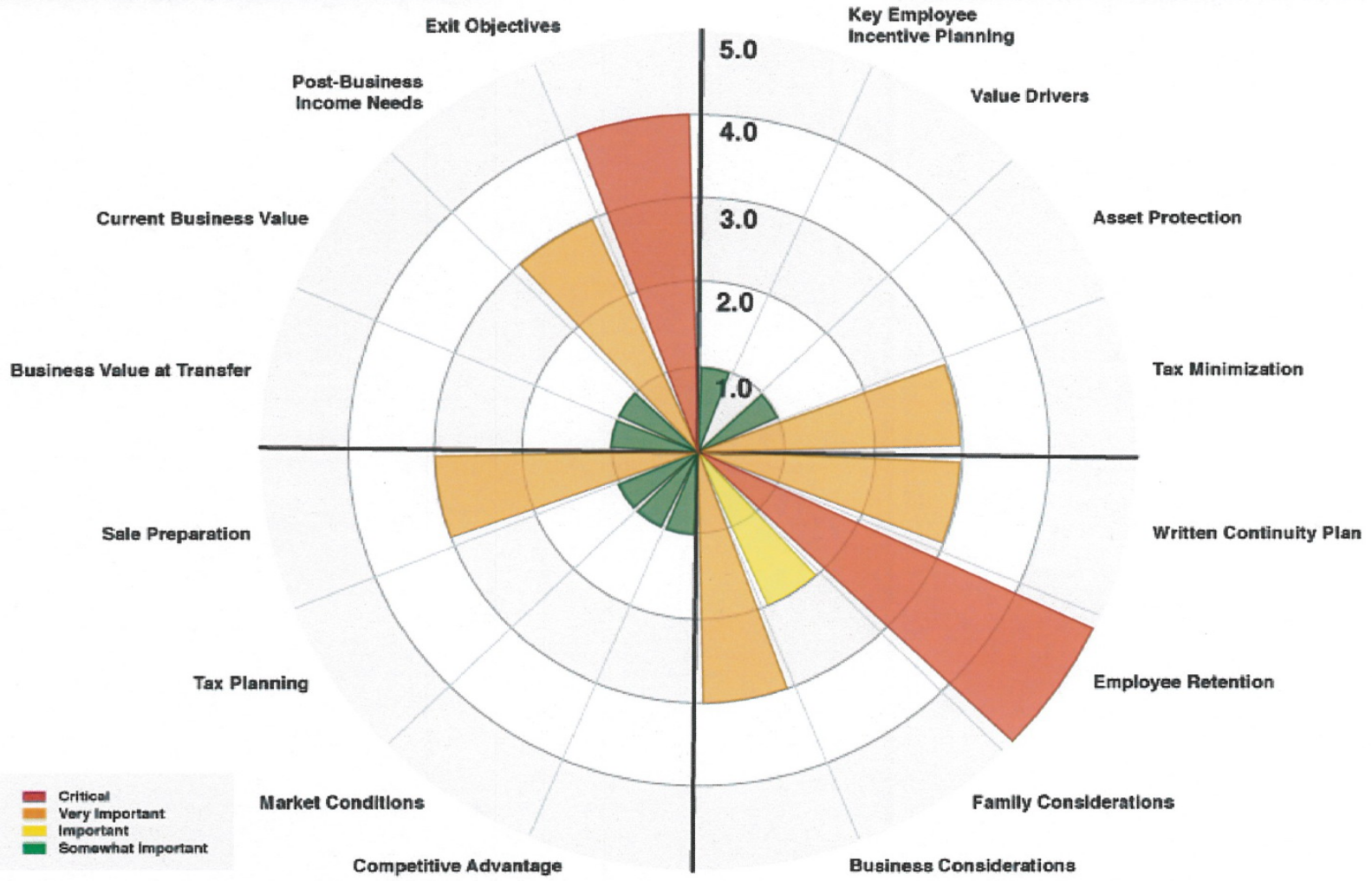
Assemble a Team of Franchise Experts

- Estate Planning Attorney
- Retirement Planner/Wealth Manager
- Accountant – Tax Planner
- Business Valuation Expert
- Business Broker

Exit Planning Assessment

Owner Objectives and Financial Resources

Maximizing and Protecting Business Value



Sale to Third Party

For use with *Exit Planning Workbook for Business Owners: Take Control of Your Business Exit and Financial Future*
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Business Continuity and Estate Planning



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Complimentary Assessment Questionnaire & Report (\$750 value)
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