



Unlocking the Secrets to a Successful Exit:

**Your Five-Step Plan to a Successful
Manufacturing Business Exit**

About Us



At NuVescor, our mission is to help manufacturing business owners reach their personal and financial goals.

We provide comprehensive services including business valuations, financial analysis, and transaction advice for companies with revenues between \$5M to \$500M.



WEBINAR PRESENTATION

OUR SPEAKER

RANDY RUA

President, NuVescor Group

- President of NuVescor, leading a team dedicated to the successful exit of manufacturing businesses.
- Holds a degree in Mechanical Engineering, providing an in-depth understanding of the manufacturing industry.
- Began his career working on the frontlines of manufacturing, gaining hands-on experience.
- Has personally navigated the buying and selling of multiple businesses, bringing firsthand insight to the M&A process.
- Has helped countless manufacturing business owners through the transition process, always focusing on their individual needs and aspirations.



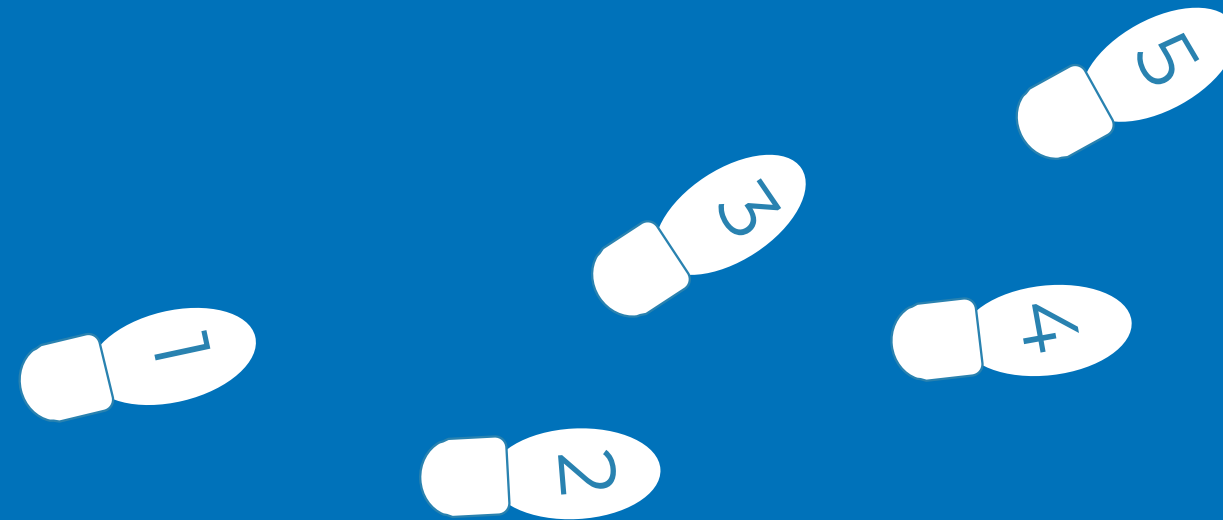


Your **Five-Step Plan** to a Successful Manufacturing Business Exit

- Understanding WHY you are exiting: shapes your exit strategy.
- Aligning EXIT TYPE with your why: enables a smoother transition.
- Figuring out YOUR NUMBER: sets realistic financial targets.
- Envisioning POST-EXIT LIFE: an often-overlooked key step.
- Pin-pointing your sport on the EXIT MATRIX: determines best exit strategy.

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Your Five-Step Plan to a Successful
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Two Questions Before You Exit Your Business

1 IS YOUR BUSINESS READY TO SELL?

The Value Builder System™

Value Builder will tell you.

2 ARE YOU PERSONALLY READY TO EXIT?



The Five Step Exit Check List will let you know

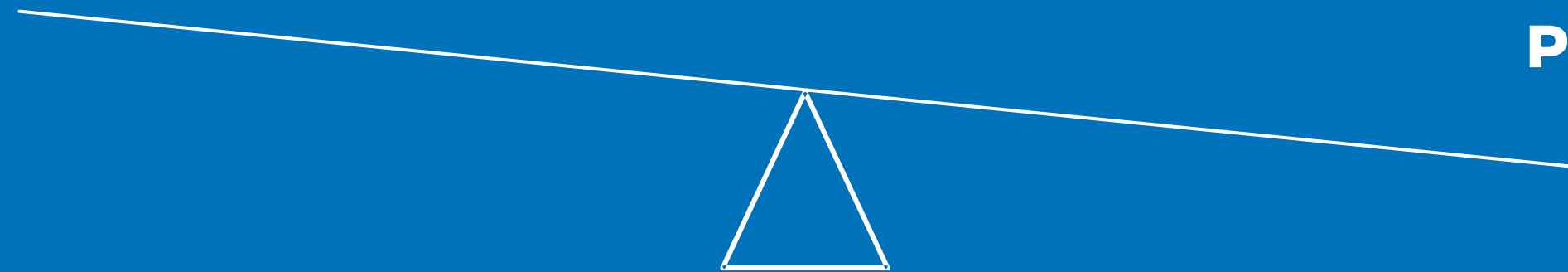
Step 1

GET CLEAR ON WHY
YOU ARE EXITING



GET CLEAR ON WHY
YOU WANT TO EXIT

Push



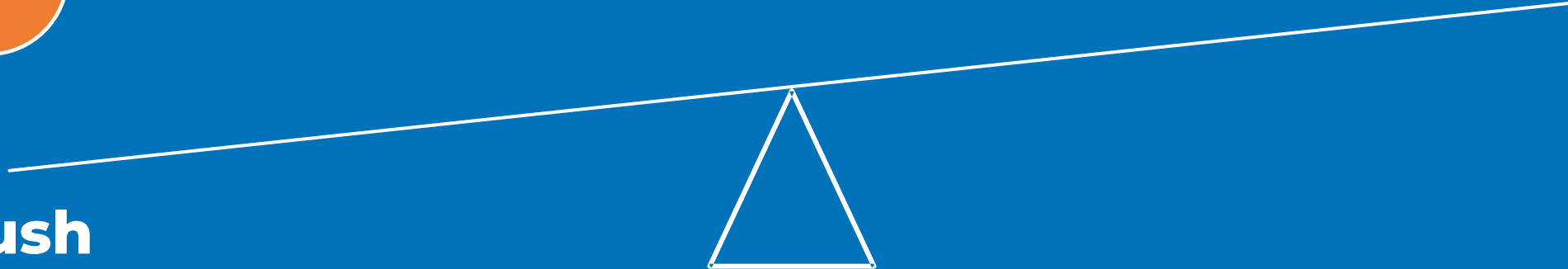
Pull

THERE MAY BE
FACTORS PUSHING
YOU TO EXIT



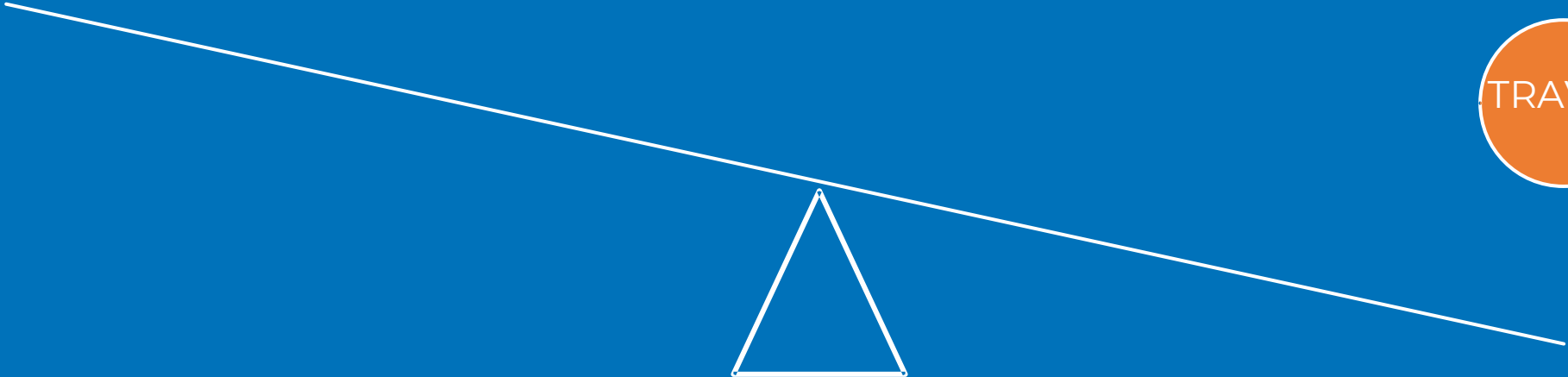
Push

Pull



BUT THE HAPPIEST SELLERS HAVE
SOMETHING PULLING THEM TOO

Push



Pull

TRAVEL

GET FIT

NEW
BUSINESS

START A
FOUNDATION



**Make A List Of What You Are
Excited To Go Do.**

Step 2

ALIGN YOUR EXIT TYPE
WITH YOUR WHY



Exit Options



Sell outright

SELL OUTRIGHT



Re-capitalization

RE-CAPITALIZATION



Liquidate

LIQUIDATE



COO/CEO

COO/CEO



Chairman

CHAIRMAN



Transfer to kids

TRANSFER TO KIDS



Management buy-out

MANAGEMENT BUY-OUT

Align Your Reason To Sell With Your Exit Options

RETIRE	→	Sell to Strategic, Transfer to Kids	 
MARKET HAS PEAKED	→	Sell to Strategic	
RISK AVERSION	→	Re- Capitalization	
BORED	→	Liquidate	
SOMETHING ELSE YOU WANT TO DO	→	COO/CEO	
	→	Chairman	
	→	Sell to Strategic	
HEALTH	→	Liquidate	
	→	Sell to Strategic	
	→	Transfer to Kids	
	→	Management Buy-Out	

Step 3

FIGURE OUT
YOUR NUMBER



Three Ways To Come Up With Your Number

WHAT IT'S WORTH

VERSUS

**WHAT YOU NEED OR
WHAT YOU WANT**

Figure Out Your Number - Retirement



INCOME YOU NEED TO FUND YOUR LIFESTYLE	\$100,000
	X 25
YOUR NUT	\$2,500,000
INVESTMENTS OUTSIDE YOUR BUSINESS	- \$700,000
NET PROCEEDS NEEDED FROM BUSINESS SALE	\$1,800,000

Figure Out Your Number – Risk Aversion



B E F O R E

A F T E R

MAXIMUM POSITION ON % TERMS AFTER RE-CAP	30%
NET WORTH	\$5,000,000
BUSINESS VALUE	\$3,500,000
CURRENT POSITION	70%
-30% OF NET WORTH	\$1,500,000
$-\$1,500,000 \div \$3,500,000$	42%
THEREFORE SELL 58% @ A VALUATION OF \$3,500,000 :	\$2,030,000
NET WORTH	\$5,000,000
BUSINESS VALUE	\$1,500,000
ASSETS OUTSIDE	\$3,500,000

Figure Out Your Number – Bored Or Something Else

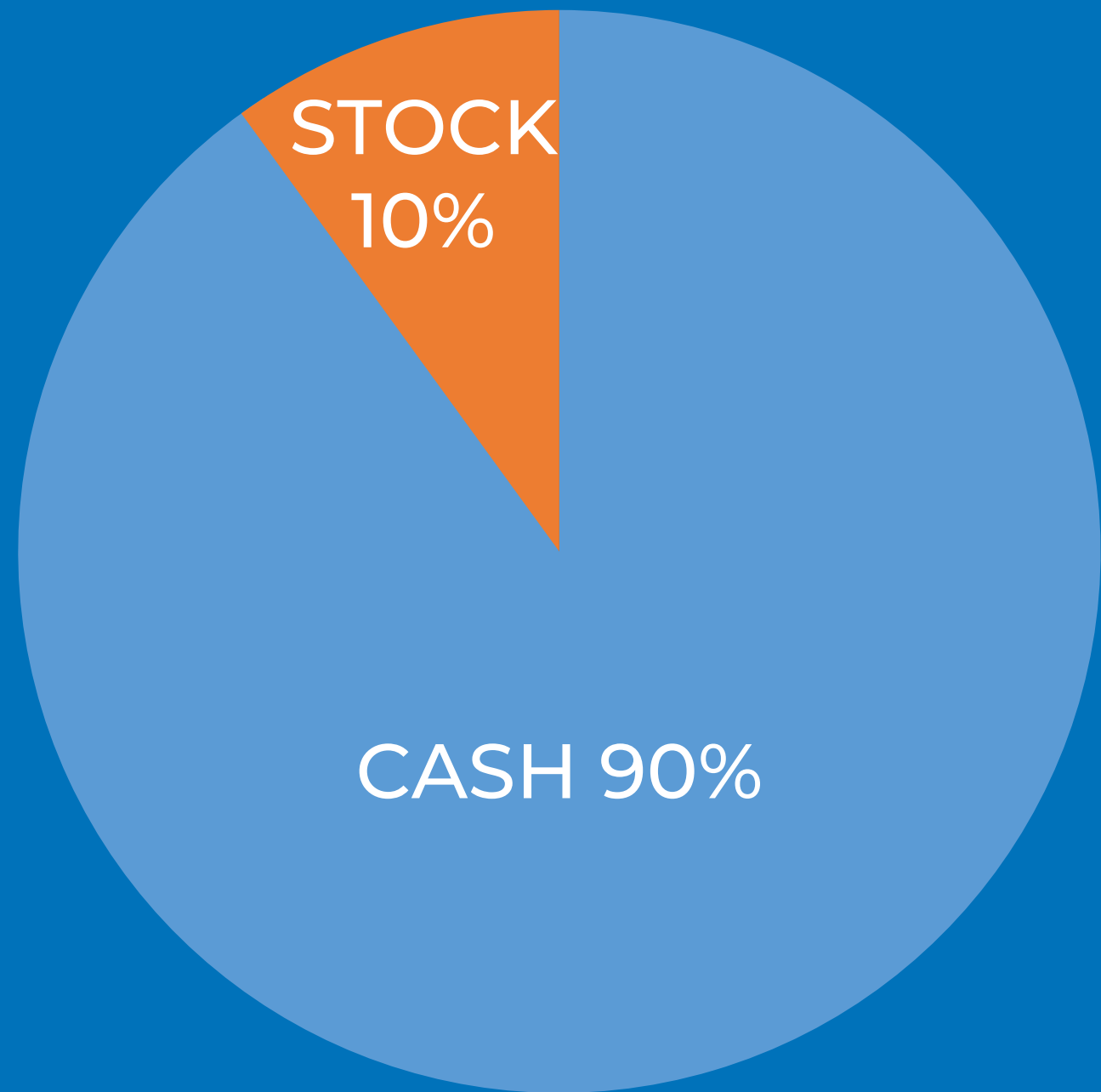


NUMBER OF YEARS RUNNING COMPANY	7
MARKET RATE COMPENSATION	\$200,000
YOUR ANNUAL BENEFITS - SALARY AND PERKS	\$120,000
YOUR INVESTMENT OF TIME	\$80,000
	X 7
TOTAL VALUE OF TIME INVESTED	\$560,000

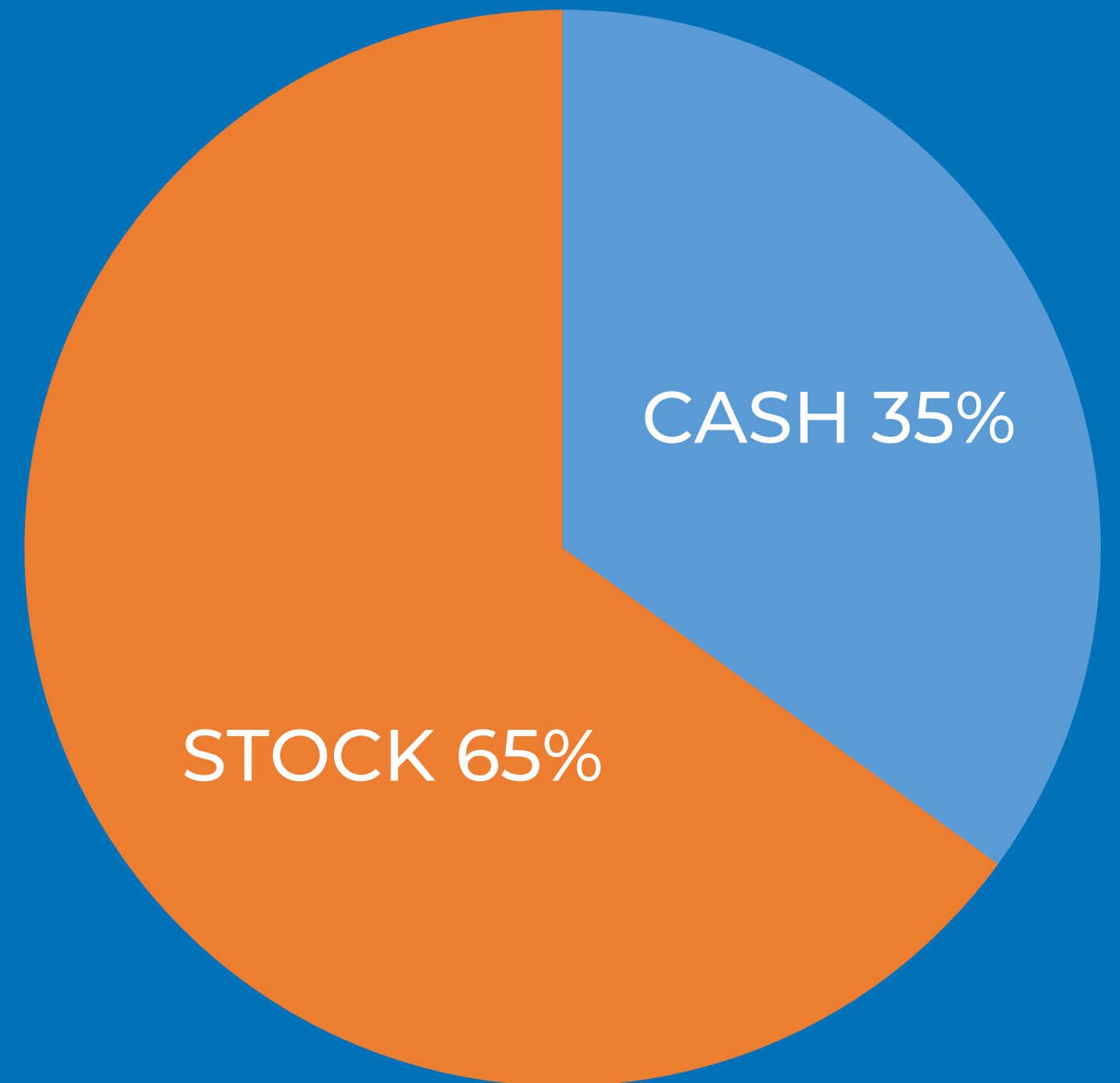
Calculate Net Proceeds Of Sale

SALES PRICE	\$3,500,000
INTERMEDIARY FEE (10% OF 1ST MILLION 8% ON 2ND MILLION 6% ON 3RD MILLION)	\$260,000
LEGAL FEES (2-4%)	\$80,000
EMPLOYEE "THANK YOUS"	<u>\$350,000</u>
NET PROCEEDS BEFORE TAX	\$2,810,000
TAX @ 20%	\$562,000
NET PROCEEDS AFTER TAX	\$2,248,000

Consider Currency



VS.



Six Things Every Employee ^(You) Should Negotiate



JOB DESCRIPTION

JOB



SALARY AND SHORT TERM BONUS

SALARY



LONG TERM INCENTIVE – OPTIONS?

INCENTIVE



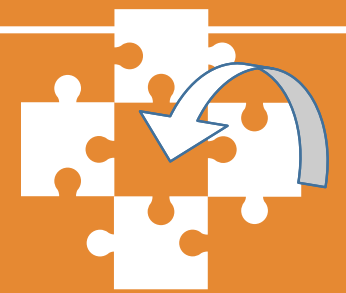
SEVERENCE TERMS

SEVERENCE



HOLIDAY

HOLIDAY



ACQUIRER GETS ACQUIRED

ACQUISITION

Step 4

DECIDE THE LIFE YOU
WANT POST EXIT



Your Role Post Sale (Lender)



CASH		VENDOR TAKE BACK
\$5,000,000	VS.	DOWNSTROKE: \$4,000,000
		8% INTEREST ON \$1,000,000 X 5 YEARS: \$1,216,560
		<u>TOTAL PROCEEDS: \$5,216,560</u>

Your Role Post Sale (Earn Out)



CASH		EARN OUT
\$5,000,000	VS.	DOWN STROKE: \$3,000,000
		EARN OUT: \$6,000,000
		<u>TOTAL PROCEEDS: \$9,000,000</u>

Your Role Post Sale (Consultant)



CASH		CONSULTING AGREEMENT
\$5,000,000	VS.	DOWNSTROKE: \$4,800,000
		CONSULTING FEE: <u>\$500,000</u>
		\$5,300,000

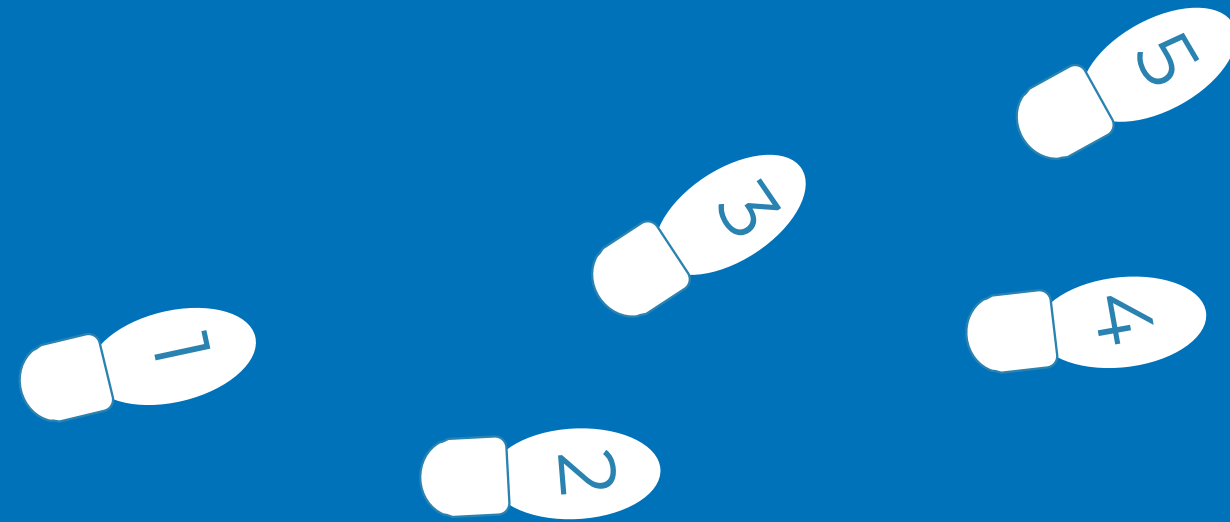
Your Role Post Sale (Shareholder)



CASH		RE-CAPITALIZATION
\$5,000,000	VS.	DOWNSTROKE: \$3,000,000
		SECOND BITE: \$7,000,000
		<u>\$10,000,000</u>

Step 5

PINPOINT YOUR SPOT
ON THE EXIT MATRIX



The Exit Matrix



Five Steps To Get Ready To Exit

- 1 GET CLEAR ON WHY YOU ARE EXITING
- 2 ALIGN YOUR EXIT TYPE WITH YOUR WHY
- 3 FIGURE OUT YOUR NUMBER
- 4 DECIDE THE LIFE YOU WANT POST EXIT
- 5 PIN-POINT YOUR SPOT ON THE EXIT MATRIX





Questions?





Thank you!

Check your inbox for The Exit Checklist
workbook: A 5-Step Personal Action Plan

Take The Next Step



We're here to guide you through every step of your exit journey. If you have any questions or if you're ready to start planning your successful exit, don't hesitate to reach out to our President, Randy Rua, directly. Let us make your transition as seamless and rewarding as possible.

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 nuvescor.com/contact/

