Bridgelink Holdings

Exit on Your Own Terms

A STEP-BY-STEP GUIDE FOR BUSINESS OWNERS

How to prepare for a sale, choose a successor, and plan what comes next.

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BEFORE YOU BEGIN

A note from Gabby

If you are thinking about stepping back from your business, you likely have questions a valuation alone cannot answer. Who will lead the team? What happens to your customers? How long will you need to stay? What will your life look like when the business no longer sets your schedule?

This guide will help you work through those questions before a transaction starts making decisions for you. It covers the choices available, the terms that deserve attention, and the preparation that makes a handoff more manageable. You do not need to be ready to sell to use it.

I offer sellers the ability to sell to a person rather than to far away firm, so I have a particular perspective. Some owners will be better served by a strategic buyer, private equity, employee ownership, or family succession. The right answer begins with your priorities.

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This guide addresses privately held U.S. businesses. It is educational and does not replace legal, tax, investment, or valuation advice tailored to your circumstances.

STEP ONE

Define your desired exit

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GOAL

Decide what a successful transition must accomplish before you discuss price.

KEY QUESTION

What do I need, and what do I simply prefer?

"A shared selling timetable is not the same as a shared definition of success."

Start with a short-written statement of your financial needs, preferred timeline, priorities for the business, and the role you want afterward. These will serve as the building blocks for any serious offer.

SEPARATE NEEDS FROM PREFERENCES

A need might be enough cash at closing to fund your next chapter without relying on future performance. A preference might be keeping the company name. Rank both before offers arrive and ask your financial and tax advisers to model what you would actually keep.

PUT TIMING IN PRACTICAL TERMS

Write down when you want to reduce your hours, when ownership should transfer, and the latest date you will run daily operations. Those may be three different dates. Then name what could speed up your decision, such as health or a major investment.

WORKSHEET

Draft your exit brief

Bring this brief to your first adviser meeting.

If there are multiple owners, have each person complete it separately before comparing answers.

My preferred ownership transition date is

My preferred operational exit date is

My minimum financial outcome, to be tested with advisers, is

The three things I most want preserved are

The involvement I would welcome afterward is

What I want for my team and customers after the sale is

I would delay or decline a transaction if

STEP TWO

Know your buyer options

2

GOAL

Compare buyers by their plan, funding, and leadership, not their label.

KEY QUESTION

What is the actual plan for my company?

"Neither category guarantees a better price or better stewardship."

A strategic buyer can be owned by private equity, and a financial buyer can preserve your company's independence or combine it with others. Ask every buyer the same questions and compare credible offers on the same basis.

EVALUATING A POTENTIAL BUYER

Private equity and strategic buyers often bring new leadership, integration plans, or a resale timeline. Their answers show what happens to your people and customers after closing.

- Who will run the company day-to-day after closing?
- What changes for my team, brand, and locations?
- Do you plan to resell the company, and when?
- How much debt will the company carry, and what happens if earnings fall?

Six routes to a successor

BUYER OR ROUTE	WHAT MAY APPEAL	QUESTIONS TO ASK
Strategic buyer	An operating company seeking customers, capabilities, talent, or geography.	Which functions would combine? Who leads locally?
Private equity	Growth capital and experience. Your company may become a platform or an add-on.	Who will be CEO – do you stay on or does someone get flown in? What is the debt plan and the resale horizon?
Search fund or individual operator	A person who will own and run the business. You meet your successor directly.	Where is the capital sourced? Is it readily accessible? What funding is still needed?
Family office or independent sponsor	Potentially flexible capital. Models vary substantially.	Whose capital is committed? Who will step in to run the business? Is there a planned exit?
Management or family succession	Continuity with people who already know the business.	Do they want to lead? Are they positioned to takeover these new responsibilities? Can they finance the transfer?
Employee ownership (ESOP)	Shares held in trust for employees. Requires specialized design and financing.	Can cash flow support it? Who will lead and administer it?

STEP THREE

Look beyond the headline price

GOAL

Know what you actually receive, when you receive it, and what risk stays with you.

KEY QUESTION

How much can I use at closing?

"Ask for a written bridge from the headline valuation to your expected proceeds."

UNDERSTAND THE EARNINGS

Adjusted EBITDA is not the same as cash available to an owner. Capital spending, working capital, debt service, and taxes still matter. Ask the buyer to detail every proposed adjustment and talk to financial professionals to make sure you're setting the business up for a successful sale.

AGREE ON WORKING CAPITAL

Buyers expect normal operating working capital to stay in the business. If closing working capital falls below the agreed target, or peg, the price may fall dollar for dollar. Request a sample calculation using your own balance sheet.

MODEL THE DOWNSIDE

What do you receive if the earnout pays nothing or rollover equity is worth less than its initial value? If you need those uncertain dollars to meet essential goals, push for a different structure.

What you receive and when

FOUR WAYS TO BE PAID

Cash at closing	Paid when the deal closes, after debt payoff and fees. A small share may sit in escrow for a set period.
Seller note	Part of the price you lend to the buyer. It earns steady interest and is repaid ahead of all equity.
Earnout	An added payment for results you helped set up, such as keeping a key customer.
Rollover equity	Your second bite of the apple. You keep a stake and share in the growth when the company sells again.

A HYPOTHETICAL COMPARISON

COMPONENT	OFFER A	OFFER B
Headline value	$5,000,000	$5,600,000
Cash at closing	$4,500,000	$3,600,000
Escrow, released later	$500,000	$400,000
Seller note + 6% interest	$0	$757,000
Earnout, if earned	$0	$500,000
Rollover equity at 3.0x	$0	$1,500,000
Seller fees	($200,000)	($200,000)
Total value over time	$4,800,000	$6,557,000

Offer B pays $900,000 less at closing but can deliver about $1.8M more over time. Illustrative: assumes the earnout is earned, a four-year note at 6%, a 3.0x rollover return. Diverse structures can offer tax advantages. This is not tax advice. Consult with an accountant to decide which structure works best for you.

Ask every buyer

"Show me what I receive at closing, what I can earn afterward, and what has to happen for each payment."

STEP FOUR

Prepare the business for handoff

4

GOAL

Show a buyer the business performs reliably without your daily intervention.

KEY QUESTION

What still depends on me?

"Reconcile differences instead of hoping they will go unnoticed."

MAKE THE FINANCIALS EASY TO FOLLOW

Organize monthly statements, tax returns, and support for revenue, expenses, debt, and working capital. Trace one recent month from your operating system to the ledger and bank, and back every earnings adjustment with evidence. If you don't have a CFO, consider hiring outside help.

REDUCE DEPENDENCE ON YOU

List the decisions, relationships, permissions, and know-how that sit with you, then assign a second person to each critical activity. A planned absence shows what still needs your intervention.

MAP CUSTOMERS AND TEAM

Show customer concentration, renewal dates, and cancellation rights alongside the relationships that keep customers coming back. Document key roles, compensation, and coverage for vacancies.

Organize documents and resolve gaps

4

Build a secure, indexed folder structure before requests become urgent. Your advisers will tailor the list.

Financial

Monthly statements, tax returns, general ledger, debt schedule, adjustment support.

Commercial

Customer revenue, major contracts, renewal calendar, pricing, pipeline.

People

Org chart, role descriptions, compensation and benefits, employment agreements.

Legal and ownership

Formation records, ownership ledger, leases, insurance, IP, litigation.

Operations and technology

Core procedures, suppliers, equipment, software licenses, access controls.

Compliance

Licenses, permits, inspections, required filings, corrective actions.

Make issues visible early

A missing signature, expired permit, or unresolved tax filing can become a closing problem. Keep a gap log with the issue, owner, next action, and target date. A disclosed issue with a plan is easier to assess than a vague assurance.

STEP FIVE

Understand the sale process

GOAL

Know the stages, build your team early, and protect your time.

KEY QUESTION

Who represents me at each step?

"The wire transfer may end ownership, but it rarely ends every obligation."

1	2	3	4	5
First conversations	Indicative offer	Letter of intent	Diligence and agreements	Closing and handoff
Discuss fit and goals. Sign an NDA before sharing sensitive records.	An early range based on limited information.	Price, structure, and key terms. Exclusivity may bind you.	The buyer verifies facts while counsel negotiates.	Funds transfer. Escrow releases and transition commitments follow.

BUILD YOUR TEAM EARLY

Find an M&A attorney, a transaction accountant, a tax adviser, and a personal financial adviser or wealth manager. Ask about relevant experience, conflicts, fees, and who will do the work. It's important to partner with professionals with M&A experience.

PROTECT YOUR TIME

Appoint one coordinator, consolidate questions, and keep a regular update schedule so the business keeps performing while the deal moves.

STEP SIX

Prepare yourself for life after the sale

GOAL

Plan for your routine, relationships, and identity after ownership.

KEY QUESTION

What would make a normal Tuesday satisfying?

A financially attractive sale can still feel unsettling. Ownership may provide your routine, relationships, sense of usefulness, and identity. That change deserves attention before closing.

DESCRIBE AN ORDINARY WEEK

Write a provisional weekly schedule and test parts of it now. List what you want to leave behind and what you would miss.

TALK WITH FAMILY EARLY

Discuss time together, spending, where you live, and whether anyone expects to inherit or lead the company. Listen first.

CHOOSE A ROLE YOU CAN LEAVE

If you stay on, define the hours, tasks, authority, pay, and end date. Avoid a vague promise to “help as needed.”

YOUR NEXT STEPS

How ready are you?

READINESS ASSESSMENT

Mark each statement Ready, In progress, or Not yet. This is a conversation tool, not a valuation or prediction.

My three priorities are:

_____

_____

_____

The person I will involve first is:

_____

My next action and target date:

_____

AREA	STATEMENT	READY	IN PROGRESS	NOT YET
Personal goals	I can explain why I might sell and what success means.	☐	☐	☐
Financial needs	Advisers have modeled my after-tax proceeds and future needs.	☐	☐	☐
Owner alignment	The owner(s) agree on timing, goals, and decision making.	☐	☐	☐
Financial records	Monthly results reconcile and adjustments have support.	☐	☐	☐
Leadership	Others can run essential activities without me.	☐	☐	☐
Customers	I understand concentration, renewals, and key relationships.	☐	☐	☐
Contracts and compliance	Agreements, licenses, and ownership records are organized.	☐	☐	☐
Buyer fit	I know which buyer approaches fit my priorities.	☐	☐	☐
Deal economics	I can distinguish closing cash from contingent value.	☐	☐	☐
Personal transition	I have discussed life after ownership and my future role.	☐	☐	☐

Your 90-day preparation plan

FIRST 30 DAYS

Establish your starting point

- ☐ Complete your exit brief and compare it with any co-owners.
- ☐ Meet tax and financial advisers to scope a proceeds model.
- ☐ Gather financial statements, tax returns, and debt and ownership records.
- ☐ List the duties and relationships that depend on you.

DAYS 31 TO 60

Build evidence and continuity

- ☐ Reconcile records and support each earnings adjustment.
- ☐ Review customer concentration, renewals, and contract transfer terms.
- ☐ Build indexed document folders and assign missing items.
- ☐ Delegate one recurring responsibility with clear authority.

DAYS 61 TO 90

Test your options

- ☐ Compare buyer routes against your priorities.
- ☐ Interview advisers and clarify scope, fees, and conflicts.
- ☐ Draft the role and boundaries you want after a sale.
- ☐ Decide whether to keep preparing, explore conversations, or launch a process.

Before you sign an LOI

Have your advisers review cash proceeds, structure, working capital, financing conditions, exclusivity, deferred payments, and your transition role. Make sure the offer still meets the priorities you set before negotiations began.

MEET GABBY FONG

Who comes next matters

You've spent years building your business. A sale should reflect that work and leave you confident in the person taking over. Your people, your customers, and what you want for the future belong in the conversation from the start.

I'm Gabby Fong, founder of Bridgelink Holdings. I bring a decade of Naval service and experience investing in and building small businesses. I'm looking to acquire one company and personally lead it for my next chapter. I'm a values-driven leader who will learn from you and build on what you've created.

$1–$6M	$5–$40M	10+ yrs	Nationwide
EBITDA	Enterprise Value	Ownership Horizon	Flexibility

Start with a 30-minute conversation

The person you get to know during the sale is the person who intends to lead your business. We'll talk openly about value, expectations, and whether there's a fit.

We'll work through the proposed purchase terms and financing together, including what you receive at closing and any continuing investment or involvement you might consider.

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