

Planning for the Future

Protecting what you've built, for whenever that day comes



Culpeper County Economic Development created this guide to help local business owners think ahead about succession and exit planning. Note: This guide is for general informational purposes only — please consult a licensed attorney, accountant, or other qualified professional for advice specific to your business.

WHY PLAN AHEAD

- Every business owner eventually leaves the business — through retirement, a sale, or unexpected circumstances. Planning now protects the business, your employees, and your family.
- A succession plan keeps the business running smoothly, whether you're stepping back gradually or leaving suddenly.
- Succession and exit planning work best when they start years before you plan to step back, not months — the earlier you start, the more options you have.

CONSIDER YOUR EXIT PATH

“Exit planning” isn't one path — it can look different depending on how you want to leave the business. Deciding which direction you're leaning helps you know what to plan for.

- Selling to a third party — a competitor, investor, or outside buyer.
- Passing the business to a family member or employee.
- Merging with another business.
- Winding down and closing, if none of the above fit your goals.

KEY PIECES OF A SUCCESSION PLAN

- Identify and prepare a successor — someone who can step in and keep operations going.
- If you have co-owners, a buy-sell agreement spells out how ownership transfers if a partner leaves, retires, or passes away.
- Decide how the business will be valued, so there's no guessing when the time comes.

CONNECT YOUR BUSINESS AND ESTATE PLANS

- Make sure your business formation documents (partnership agreements, operating agreements, and similar) line up with your personal estate plan.
- Without that alignment, a business can end up tied up in probate — adding stress and delay for the people you intended to take it over.
- Appoint someone who can legally step in and keep the business operating if you're no longer able to.

FREE HELP PLANNING YOUR EXIT

Thinking about what's next for your business? The Small Business Development Center has advisors who specialize in helping owners not just think through succession and exit planning, but carry it out — including guiding business owners through the process of selling. Free advising: cvsbdc.org.

Explore more free legal resources, including business entities and contracts, at cvsbdc.org/legal-regulations-structures-contracts-agreements.