Documenting the Exit Strategy in Your Business Plan

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It is helpful to show other companies in your market, or similar companies in other markets, who have successfully exited, and how and why these companies were successful. For instance, were they successful since they acquired a large customer base? Or were they successful since they accomplished fast growth or high profit margins? It is also important to tie their success to their exit price. Was the exit price based on earnings or the number of customers the firm had at the time? The business plan should tie these metrics (e.g., exit price of $X per customer) to the business to determine its future price.

The most common exit the business reaches a successful exit event. As such, it is critical that business plans explain the expected exit, detail why this exit was chosen and validate a realistic exit price.

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