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# **Smart planning, smooth exit —** Getting started: timing considerations and choosing the right exit route

**SPOT ON** | EXIT PLANNING | MAY 2026

## HOW CAN BUSINESS OWNERS PREPARE THEMSELVES AND THEIR COMPANIES FOR THIS NEXT STEP?

When and how to sell a business is a complex process, and one that requires a significant amount of preparation to ensure value is maximized and the whole journey goes as smoothly as possible.

In light of this, Oaklins recently hosted a webinar aimed at business owners to provide insights into planning an exit for their company. Led by Peter Gray of Oaklins Cavendish in the UK, it featured a panel of Oaklins' experts from across Latin America as well as a transactional partner from Baker McKenzie in Bogotá, Colombia.

The session was the first in a two-part series of discussions around exit planning, and focused on what an exit plan involves, the different routes available and timing the sale.

In this newsletter, you can find selected highlights from the webinar — to watch the full recording, click here.

"It's never too early to start preparing for a sale of your business. In fact, you really should have an exit strategy from the day you start the company."

**– Peter Gray, Partner, Oaklins Cavendish**

KEY CONSIDERATIONS

### Questions to lay the ground

The first stage in exit planning requires business owners to ask themselves five questions regarding their company and their expectations.

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PANEL INSIGHTS

### Views from the specialists

Explore different perspectives about the various aspects of exit planning, from taxation to legal issues and deal killers.

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AUDIENCE Q&A

### Getting into specifics

The panelists respond to questions from the floor, covering buyer types and the process for bringing on a new CEO.

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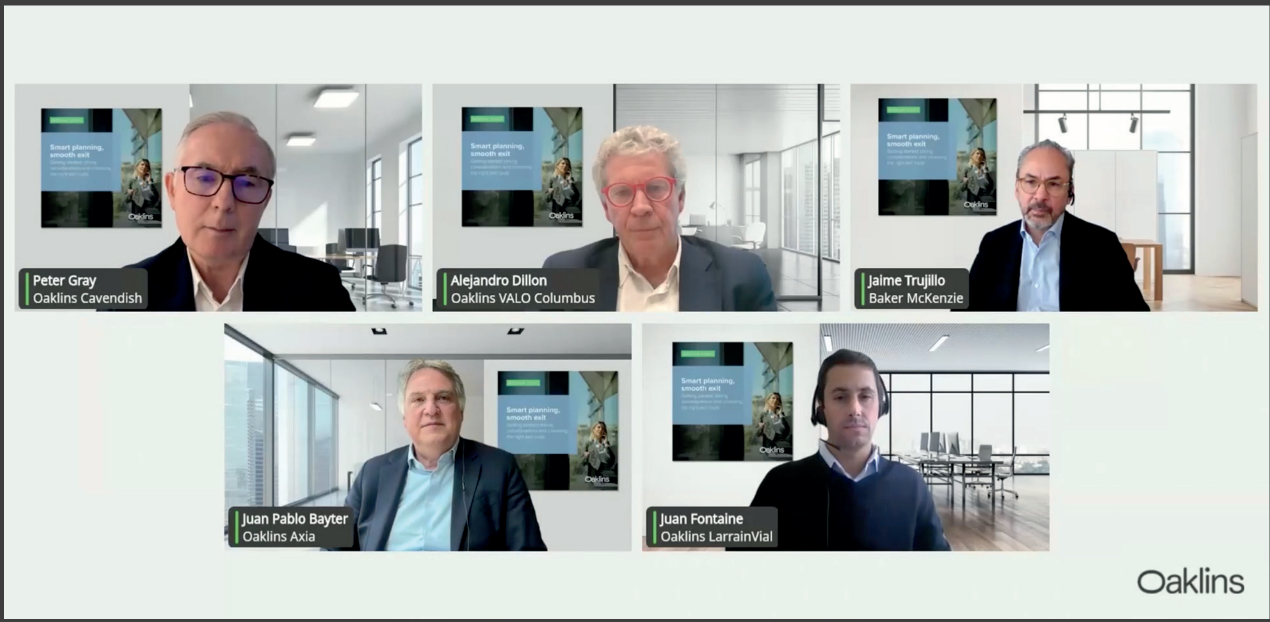
**Our Exit planning webinar panel**




Clockwise from top left: **Peter Gray** (Partner, Oaklins Cavendish)**, Alejandro Dillon** (Partner, Oaklins VALO Columbus), **Jaime Trujillo** (Transactional Partner, Baker McKenzie), **Juan Fontaine** (Director, Oaklins LarrainVial) and **Juan Pablo Bayter** (Partner, Oaklins Axia).

## KEY CONSIDERATIONS

Being properly prepared for an exit could take anywhere from two to four years, depending on the objectives of the sale. It's important to get all aspects of the company — such as building a strong, independent management team, ensuring clean and scalable financials, and reducing key man risk — in shape well in advance, rather than leaving it to the months or even weeks before the process.

As such, before diving into an exit process, there are five essential questions that business owners need to ask themselves to make sure they're ready for each step of the way:

– **How much do you want for your business?** It should cover what you're expecting but also be realistic and achievable
– **How are you going to achieve your target valuation?** This involves putting together a growth plan, which will include a lot of different factors, such as organic growth through entering new markets, and acquisitions to ensure you reach the size of your business you want at exit
– **What does your business need to look like at exit in order to maximize value?** Will it be a focused or diversified company? What is the management team like — for example, does it include a great commercial director?
– **How long is this process going to take?** Anticipate the timescale and take into account external issues such as political uncertainty
– **Who are you selling your company to?** The buyer could be a private equity firm, a strategic buyer or even the management team. During the process, a range of potential acquirors will be approached, and they will each have different requirements that have to be taken into account

> "As with anything in life, you need proper preparation. If you don't put in enough preparation, you're not going to achieve your objective in selling your business, which is probably to maximize value after a lifetime dedicated to expanding it."
>
> **JUAN PABLO BAYTER**
> PARTNER, OAKLINS AXIA

## PANEL INSIGHTS

Throughout the webinar, the panelists explored exit planning from different perspectives, offering a range of insights and relevant experience to help guide owners. Below is a selection of the topics covered.

**What are the key areas of legal preparation a business owner has to get right in advance of a sale process? And what are the biggest mistakes that vendors make in advance of a sale, which result in it not happening, happening at a lower valuation or being delayed from a legal perspective?**

**Jaime Trujillo:** "You need to get experienced M&A counsel on board as early as possible. Many founders make the mistake of assuming that their in-house counsel or legal team can manage a transaction. M&A is more and more sophisticated.

Secondly, define the role of the founder early on. I've seen many founders staying on for a while after they've transferred control, and be unhappy in a role that is very different from what they expected — they're frustrated. So if a founder is not prepared to stay on for a while, recruit a successor early on and allow them to be involved in the business so the buyer is comfortable with them managing the company from closing onwards.

A third point is knowing your company well. This not only refers to getting your numbers and your management information systems up to speed, but what we call a vendor's due diligence. Put yourself in the position of a potential buyer, and ask the questions and do the homework that a buyer will inevitably do when acquiring your business. This helps you identify and address your weak spots early on. Always have good answers and avoid surprises. This builds trust and confidence, and ultimately enhances the value of the business."

**Reflections on taxation**

- Nowadays, there are legitimate ways of reducing or deferring taxes, but to do it properly takes a long time and should be planned ahead
- There are tax structures that involve reputable, tax-friendly jurisdictions like the USA, Spain and Canada
- If you don't want to end up paying too much of the deal's proceeds to the taxman, you must consider tax structuring well in advance
- There are good reasons to do tax structuring whether or not you're planning an exit, to take advantage of double taxation treaties and investment protection treaties
- Avoid even the perception of impropriety or tax abuse; the earlier you do it, the better the perception is

> "A key stage in the exit process is after closing. The day after they leave, we see many frustrations among founders and entrepreneurs. They need to be prepared to be part of the new company, or to go and start a new business, or play tennis and golf. They must get ready beforehand."
>
> **– Alejandro Dillon**

**How do you ensure that you time the sale of your business to maximize value?**

**Juan Pablo Bayter:** "Getting the timing right is one of the key value drivers for any business owner. If you get the timing right, you will probably maximize value. However, if you get it wrong, then you will probably have to abort or you can destroy a lot of value. But getting it right is an art.

There are some rules, nevertheless. One of the things is to be exit ready. Once you launch a process, you have to be prepared so you can maximize your valuation and achieve your objectives.

There are a number of areas where you may not be ready. For example, a classical one is customer concentration. This happens a lot. You get one or two customers that represent 40% or 50% of your sales, and that is something that buyers tend to look at very cautiously. It's a big risk.

There are also external factors, and these are probably as important as the internal factors in terms of timing. If the M&A market is strong, if your region is strong and people are really looking at it with interest, the region is growing, etc., then it's a good time. If your sector is in favor, then people will tend to be more open and flexible in terms of your problems and of understanding the company. If you want to maximize value, you need to be ready and take advantage of these windows of opportunity."

**What can prevent potential deal killers stopping a sale in its tracks, from a preparation perspective?**

**Alejandro Dillon:** "I think one of the key elements is that the founder, the entrepreneur or the CEO must really know their business — they have to prepare their own due diligence process. There are a few things that can be done beforehand. One of them, clearly, is management information. You have to prepare accurate and timely information, not only the financial accounts and the balance sheet, but also KPIs and all the information that is going to be shown during the different stages of due diligence and in the data room.

The other area where you have to prepare is in hiring legal advisors and auditors that fit into the process, and, most importantly, have M&A experience.

It's also very important to hire auditors who can work in a very proactive team with the financial advisor. All your advisors must have knowledge of local regulations and, just as importantly, of local cultures. I think that is a distinct value that Oaklins has around the world, because we are all connected and we have task forces that allow us to work jointly."

**What are the various exit routes available to a business owner, and what are their advantages and disadvantages?**

**Juan Fontaine:** "I think a simple way to think about exit routes is that there is no single right answer. In the end, the best route depends on what the shareholders are trying to achieve. You should ask yourself: is the objective to fully exit the business? Is it to bring in a partner, but remain involved? Or are you trying to maximize valuation, even if that means staying involved for some time after the transaction?

With that in mind, I would frame the discussion around four alternatives: a partial exit while retaining control; a partial exit while becoming a minority shareholder, so selling control; the sale of 100% of the company; and an IPO.

However, in the end, valuation is not only about the business itself. It's also about how prepared the company is, how transferable it is to the buyer and how credible the next phase of growth looks without depending on the current shareholders.

That's why exit planning shouldn't start when the shareholder decides to sell. It should start much earlier, by building the company in a way that keeps all exit routes open."

"The type of sale that you decide to pursue also has a direct bearing on the timing — the more complex the deal becomes, the longer it will take to execute."

**– Jaime Trujillo**

## AUDIENCE Q&A

**Is it more likely that my buyer will be a private equity house or a strategic trade buyer?**

**Peter Gray:** "We just don't know, which is why typically, on almost all sale processes, we're going out to both communities, both private equity and trade, because you never know who's going to pay the highest price. Sometimes you think the synergies with competitors are so great that the trade buyers will outbid private equity. It's a no-brainer. And lo and behold, you get a US private equity house offering 20% above everyone else.

That's why the golden rule we have is to maximize the buyer universe, so private equity and trade, and particularly overseas trade. Certainly in the UK, overseas buyers pay a premium for UK businesses. They are key to any sale process, and that's where Oaklins comes in with its international presence."

**I understand that I need to replace myself as chief executive if I'm going to get a clean exit, but I'm not sure that there's anyone within my existing management team who is sufficiently backable to step up to the plate as replacement CEO. What should I do?**

**Alejandro Dillon:** "That is a very tough decision. I think there are two sides to the coin. The first is that the founder or CEO has to ask themselves what their role is going to be. They have to be very clear with their answers in this respect. Sometimes it's good to have a coach or a consigliere to help you.

On the other side of the coin, you can use a headhunter. It's also important to foresee the dynamics and the different paths, whether you want to exit through a partial sale, majority sale, 100% sale or an IPO. So that also will give you the shape of the CEO expertise that you need.

My advice is: work on both sides of the coin."

"Exit planning shouldn't start when the shareholder decides to sell. It should start much earlier, by building the company in a way that keeps all exit routes open."

**– Juan Fontaine**

**If you have any questions around exit planning, don't hesitate to contact one of our specialists — see page 5 for details.**

The second part of this exit planning webinar series is scheduled for 27 October, where the themes to be discussed are how to maximize the price you achieve for your business and how to avoid common mistakes during a sale process. Register below to make sure you don't miss out!

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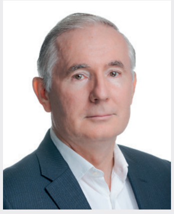
- Growth equity and equity capital markets advisory
- Debt advisory
- Corporate finance services

Exit planning is one of our focus areas. Combining comprehensive sector knowledge with global execution has led Oaklins to become one of the most experienced M&A advisors regarding exit planning, with a large network of relevant market players worldwide. This results in the best possible merger, acquisition and divestment opportunities for companies planning an exit.

If mergers, acquisitions, or divestitures of businesses or business units are part of your strategy, we would welcome the opportunity to exchange ideas with you.



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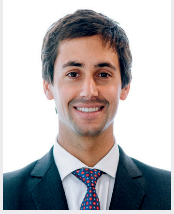

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