SELA
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THE BUSINESS OWNER'S GUIDE TO A TAX-EFFICIENT EXIT

A STRATEGIC GUIDE FOR BUSINESS OWNERS PREPARING FOR A SALE, SUCCESSION, OR LIQUIDITY EVENT

2026

Introduction



For many entrepreneurs, the sale of a business represents the culmination of decades of sacrifice, risk, and perseverance. Yet surprisingly, many business owners spend years building enterprise value and only months preparing for the tax implications of a sale. The result? Millions of dollars unnecessarily lost to taxes, inadequate estate planning, poor deal structuring, and missed opportunities.

The reality is that a successful exit is not simply about maximizing the purchase price. It is about maximizing what remains after taxes, fees, and planning decisions have been made. The most successful business exits begin years before a letter of intent is ever signed. This guide outlines the key planning opportunities business owners should consider before a liquidity event and how Sela Capital Group can help you navigate.

Welcome to our world.



The Hidden Cost of Waiting

Most business owners focus on valuation, but sophisticated business owners focus on *retention.*
Consider two business owners who each sell their company for $20 million.
One spends years preparing for the transaction and implements advanced tax and estate planning strategies.
The other waits until the sale process has already begun.
Both receive the same purchase price. One retains significantly more wealth.

The difference often has little to do with investment returns and everything to do with planning.
Many of the most effective strategies must be implemented before negotiations begin, because once a transaction is underway, many planning opportunities disappear.

THE FOUR ADVISORS EVERY BUSINESS OWNER NEEDS

.01 TAX ADVISOR

Focused on minimizing tax liability and identifying planning opportunities.

.02 WEALTH ADVISOR

Focused on coordinating investments, tax planning, estate planning, and long-term wealth strategy.

.03 ESTATE PLANNING ATTORNEY

Focused on wealth transfer, asset protection, and legacy planning.

.04 TRANSACTION ATTORNEY

Focused on legal transaction structure and negotiation.

The Five Stages of a Successful Exit

Value Creation → Tax Planning Before the Sale → Estate and Legacy Planning → Transaction Structure → Life After the Sale

VALUE CREATION

Before considering taxes or estate planning, owners should focus on increasing enterprise value.
Common areas include:

- Strengthening recurring revenue
- Reducing owner dependency
- Diversifying client concentration
- Enhancing financial reporting
- Improving operational systems

ESTATE AND LEGACY PLANNING

Questions every business owner should consider:

- How much wealth is enough?
- What legacy do I want to leave?
- How should assets transfer to children and future generations?
- What charitable impact do I want to create?
- How should future family governance be structured?

TAX PLANNING BEFORE THE SALE

Many tax strategies require implementation before a transaction is imminent. Potential opportunities may include:

- Trust planning
- Family gifting strategies
- Charitable planning structures
- Opportunity Zone investments
- Entity structure optimization
- Installment sale strategies
- Qualified Small Business Stock considerations where applicable

TRANSACTION STRUCTURE

Business owners should carefully evaluate:

- Asset sale vs. stock sale
- Cash versus earnout considerations
- Equity rollover opportunities
- Installment payment structures
- Tax implications of various deal structures

LIFE AFTER THE SALE

Many business owners spend decades building a company and very little time preparing for life after closing.

Common concerns include:
-Investment management - Income planning - Tax-efficient investing - Family office coordination - Philanthropic strategy - Legacy planning - Second-act business ventures

Business Sale Readiness Checklist

- [ ] Financial records are organized and accurate.
- [ ] Key relationships, processes, and decision-making are not solely dependent on you the owner.
- [ ] Revenue is predictable and diversified.
- [ ] Processes, workflows, and reporting structures are established and repeatable.
- [ ] Future leadership has been identified and key roles can be maintained during a transition.
- [ ] Retention plans, equity incentives, or succession agreements have been considered.
- [ ] Tax planning discussions have started before a transaction.
- [ ] Your entity structure has been reviewed.
- [ ] Potential opportunities to transfer future appreciation have been considered.
- [ ] Charitable planning opportunities have been evaluated.
- [ ] State and residency tax considerations have been analyzed.
- [ ] Your CPA and advisory team are aligned on the anticipated transaction.
- [ ] Trusts, wills, powers of attorney, and beneficiary designations have been reviewed.
- [ ] Family goals and priorities have been defined.
- [ ] Post Sale lifestyle, spending, and cash flow requirements are understood.
- [ ] Personal goals, future ventures, and next chapters have been thoughtfully considered.
- [ ] Charitable giving and community impact objectives have been explored.

Is your business attractive, transferable, and scalable?

Advisory Team Readiness

Is your team working from the same playbook?

□ CPA is engaged in exit planning discussions
□ Estate planning attorney is involved early
□ Transaction attorney has been identified
□ Business valuation has been completed or updated
□ Insurance and risk management needs have been reviewed
□ A wealth advisor is coordinating the overall strategy
□ All advisors are communicating with one another
□ Tax, legal, investment, and estate planning decisions are being made collaboratively

Your Exit Readiness Score

19–25 Checks
Well Positioned
You have taken meaningful steps toward preparing for a future transition and may benefit from refining advanced planning opportunities.

11–18 Checks
Planning Opportunity
Several foundational elements are in place, but there may be opportunities to improve coordination and long-term outcomes.

0–10 Checks
Start Early
The greatest advantage in exit planning is time. Beginning now may create opportunities that are unavailable later.



Final Thought...

Whether your exit is approaching or still years away, thoughtful planning creates options.
The earlier the planning process begins, the more opportunities typically exist to preserve wealth, reduce friction, and create confidence around the future.

We can help.



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