

# STAGES OF TRANSITION TO EMPLOYEE OWNERSHIP

## EXPLORE

Time varies \$0

**What:** Key stakeholders study the idea and decide if it is worth pursuing. Selling owner clarifies their desires, concerns, and realities related to selling the business

**Who:** The selling owner; a local advisor who can offer confidential guidance; sometimes key employees

## ASSESS

3 - 6 months \$5K

**What:** A business valuation is completed and experienced professionals affirm that a financial, legal, and organizational transition is feasible.

**Who:** The selling owner; trusted professional advisors; sometimes key employees

## STRUCTURE

6 - 12 months \$10K

**What:** The sale terms and any organizational or leadership changes are established; legal documents are drafted for the transaction and new entity; financing is secured

**Who:** The selling owner; a representative team of the employees; professional advisors

## COMPLETE

3 - 6 months \$10K

**What:** Loans are drawn; the company legally changes hands; bylaws are formally adopted; a founding board is elected

**Who:** The selling owner; the employees; professional advisors; lenders

## SUPPORT

Time & cost vary

**What:** Ongoing training addresses leadership and operational gaps, and orients management to new roles

**Who:** The employee-owners; professional advisors