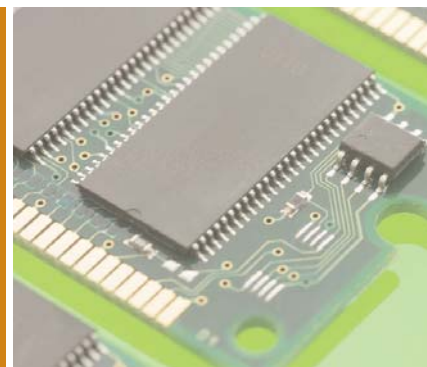


Tech Company Strategies for a Successful Exit



Have You Developed an Exit Strategy?

- Have you determined the best course of action for the Company's owners and its business?
- A Company's inception is an appropriate time to consider the exit strategy of key shareholders.
- Have you determined the best option of taking on equity investors and retaining leadership, finding a successor, or selling the Company outright?
- Have you conducted the preliminary valuation research?
- Who can assist in the valuation?
- Have you identified and prioritized a list of potential acquirers, investors, and/or successors? Strategic buyers v. financial buyers.
- Can the Company develop a business summary to market itself, its value, and the desired terms of a possible transaction?
- What negotiation tactics are necessary for the successful transaction? Exclusivity?
- For closely held entities, sellers may face estate tax issues which may be addressed by pre sale consultations with trust and estate legal experts and private bank advisors.

Have You Begun to Search for an Acquiror or Partner/Investor?

- How can the Company determine the best course of action for its owners and its business?
- How can the Company conduct the preliminary valuation research?
- How can the Company identify potential acquirers or investors?
- Can the Company market itself?
- Initial Public Offering – Do the Company's owners have the patience to bring the Company (that is large enough, growing rapidly enough, and has a compelling story) to a public offering?
- Sale of the Company – Does the Company ownership want to sell the Company outright? Is the ownership willing to remain on a board or in an advisory position? Does the Company have a professional advisor to strategize and negotiate an ideal scenario? Cash v. stock.
- Private equity investor – What does the structure of the deal look like? Are the owners/management willing to stay on? What exactly is being sold?
- How does the Company acquire the skills and experience to conduct the negotiations?
- Are you prepared for the due diligence process?
- Has the Company selected an objective third-party firm to assist throughout the process?

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Preparation for an Exit Strategy

- Does the Company own/license significant IP? If yes, has the Company done a full and complete IP review and listing? How is the IP protected?
- Does the Company have audited or reviewed financial statements?
- Has the Company sought to be compliant with Sarbanes-Oxley?
- Does the Company have employment agreements with key personnel?
- The Company needs a formal valuation. What are the valuation factors?
- The Company must maintain confidentiality.
- How do you select the Company “deal team.”
- When should the Company bring in professional advisors?

About the Firm

Katten Muchin Rosenman LLP is a full-service law firm with offices in the nation's largest centers of business, government, finance and technology and an associated entity in London, England. Our 600 attorneys in more than 40 practice areas provide timely and cost-effective counsel to clients in numerous industries. We are business advisors and advocates for a wide range of public and private companies – from entrepreneurial, emerging-growth, and middle market firms to global Fortune 100 corporations – as well as government entities and major universities, museums and other charitable and cultural organizations.

Based on a survey of corporate counsel at Fortune 1000 companies, we have been placed on BTI Consulting's Client Service A Team. Our leading practices and attorneys have been recognized in *Chambers & Partners Guides*, *Who's Who Legal*, *Leading Lawyers Network*, *Corporate Counsel*, and the *Expert Guides* published by Euromoney Institutional Investor PLC. In addition, *Corporate Board Member* has recognized the Firm based on its survey of CEOs and directors of major public companies.

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