

BURNS & LEVINSON LLP

Exit Strategies For Success – Being Ready When Opportunity Strikes

ENET – IEEE Boston Entrepreneurs' Network

June 3, 2014

Tal Unrad, Esq.

Burns & Levinson LLP

- Burns & Levinson is a full service law firm in Boston, MA
- We have a focus on entrepreneurial companies in technology, life sciences, medical devices, software, energy/cleantech, and healthcare, etc.
- Our specialty practices include: finance, securities, tax, IP, labor, employment & employee benefits and real estate
- We host an Innovation Program for promising start-ups in their pre-funding stage

Start Planning for your Exit as you Enter

- Don't wait until you are ready to exit to start planning for it
- You probably won't know how or when you will exit, but you can still be prepared
- You should start to consider your exit strategy as part of your formation

Choosing your Vehicle

- When starting up, choose a versatile business entity:
 - Investor Friendly
 - Favorable Tax Treatment
 - Flexibility
 - Member/Shareholder Rights

Agree on the Who, the What, and the When

The Who?

In your initial documents you and your partners/early investors need to consider:

- Who will have authority to cause the company to exit?
- Who will have authority to say no?
- Can some partners leave while others stay?

Agree on the Who, the What, and the When

The What?

Deciding what your goals are will help dictate your choices:

- What do you hope to accomplish – Develop a new technology? Commercialize your technology? Launch a new service platform? Be a serial entrepreneur?
- Do you and your partners share these goals?
- What do you expect your role to be after an exit?

Agree on the Who, the What, and the When

The When?

How quickly do you expect to exit?

- Your goals may help dictate your timeline
- Be ready for pleasant surprises and disappointments
- You can always change your mind later

Being Ready

- Investors and acquirers will be looking for certain information and records:
 - After about a year, engage a qualified accountant to keep your financials
 - Get your intellectual property properly registered
 - Keep a record of your company's decisions, activities, contracts and relationships
 - Have a network of trusted advisors

Epilogue: After the Exit

- Buy plane tickets
- Negotiate a great employment agreement
- Get ready to do it again

Contact Us

- Tal Unrad, Burns & Levinson LLP
 - tunrad@burnslev.com
 - 617-345-3857
- Jesse Erlich, Burns & Levinson LLP
 - jerlich@burnslev.com
 - 617-345-3255
- Or visit us at:
 - Burnslev.com