

FOUNDER PLAYBOOK

The Chapters Ahead: How to Think About Your Next *Move*.

Most founders are so deep in the build that the next chapter sneaks up on them. Here is how to stay a few steps ahead, without taking your eye off the company you are running right now.

THE GAP FOUNDERS DON'T SEE

You will think about the next chapter *eventually*.

The question is only whether you think about it three years early, on your own schedule, or three months late, on someone else's. Most founders spend their days solving the problem directly in front of them: the hire that needs to close, the customer that needs saving, the quarter that needs to land. That instinct is exactly what got the company this far. It is also why so few founders have thought seriously about what comes after, until a buyer, a health scare, or simple exhaustion forces the question.

The data on this gap is stark. Among business owners who plan to eventually sell or transfer ownership, only 32 percent have a documented exit plan, and just 8 percent report being fully prepared to transition ownership when the moment arrives.^[1] This is not a fringe problem affecting a handful of unusually disorganized owners. It is the default condition, and it persists even among founders who are otherwise disciplined operators, because planning for your own exit does not feel urgent until it suddenly is.

"Up to 80 percent of owners who list a business for sale never close a transaction on their preferred terms."

That single statistic should reframe how any growth-stage founder thinks about timing. The next chapter is not a decision you make when a buyer shows up. It is a set of conditions you build toward for years before that conversation ever starts, so that when it does start, the terms are yours to set rather than theirs to dictate.

THE READINESS GAP

Intention is common. Preparation is *rare*.

Ask most founders whether they intend to eventually sell, merge, or step back from day-to-day operations, and the majority will say yes. Among employer-business owners specifically, 74 percent plan to sell or transfer ownership at some point before retirement.^[2] But intention and preparation are two very different things, and the data shows a wide gap between them.

OWNER INTENTION VS. OWNER READINESS	
Measure	Share of Owners
Plan to sell or transfer ownership eventually (employer-owners)	74%
Plan to sell, transfer, or take public within 5 years	22%
Have a documented exit plan	32%
Report being fully prepared to transition ownership	8%

The pattern is consistent across every data set we have looked at: the further out an event sits on the calendar, the less concretely founders plan for it, even when they are confident it is coming. This is not a knock on founders. It reflects a real cognitive bias toward whatever is closest and most urgent, and running a growth-stage company supplies an endless stream of things that are closer and more urgent than a transition that might be years away.

WHAT TIME ACTUALLY BUYS

Three to five years, not three to five *months*.

Advisors who specialize in exit preparation converge on a consistent window: three to five years of advance preparation for founders who want to maximize both valuation and optionality, with 18 to 24 months as an absolute floor even for businesses that already have clean financials and a diversified customer base.^[3] Compress that window and the cost shows up directly on the closing statement. Businesses that prepare in less than 18 months typically leave 15 to 30 percent of enterprise value on the table, according to research from the Family Business Institute.^[3]

● Financial Clarity

Clean, reconciled financials and a defensible adjusted EBITDA figure take years of consistent bookkeeping discipline to produce credibly, not a few months of cleanup before a process.

● Customer and Revenue Diversification

Reducing concentration in your top few customers, or converting month-to-month relationships into contracted revenue, is a multi-year sales strategy, not a diligence fix.

● Leadership Depth

A team a buyer trusts to run the business without you takes real time to hire, train, and prove out under pressure.

None of this means you need to know the exact year you plan to sell. It means the ordinary discipline of running a well-built company, tracked financials, diversified revenue, a capable team, is the same discipline that keeps every option open when the moment to decide finally arrives.

THE PROCESS ITSELF

Once it starts, it takes about a *year*.

Separate from the years of preparation, the transaction process itself, once you actually engage advisors and go to market, typically runs nine to twelve months from mandate to close.^[4] Founders who have not internalized this timeline are often blindsided by how much of the year a live process consumes, on top of running the business at full speed the entire time.

A TYPICAL SELL-SIDE PROCESS, MANDATE TO CLOSE	
Phase	Approximate Timing
Readiness & Positioning	Weeks 1-10
Materials & Buyer Mapping	Weeks 8-16
Outreach & Initial Diligence	Weeks 14-22
Indications of Interest & Buyer Selection	Weeks 20-28
LOI Negotiation	Weeks 26-34
Confirmatory Diligence & Financing	Weeks 32-46
Closing Documents & Execution	Weeks 42-52+

The highest-risk period on this entire timeline sits right after the letter of intent is signed. Confirmatory diligence is where buyers verify everything they were told during the earlier rounds, and it is where deals get re-traded or restructured when something does not hold up.^[4] Founders who have spent years, not months, preparing tend to sail through this phase. Founders who compressed their preparation into the run-up to the process are the ones who get a phone call two weeks before closing with a lower number attached to it.

THE PART NO ONE PREPARES FOR

The hardest planning isn't *financial*.

Here is the finding that surprises founders most: the majority of owners who complete a transaction report significant regret within the first year, and when researchers dig into why, the answer is rarely the price.

Roughly three-quarters of owners report profound regret within a year of closing, and 60 percent of them point specifically to the lack of a personal plan for life after the sale as the driver, not the number on the wire transfer. [3]

This is the part of "the next chapter" that spreadsheets cannot help with. Founders spend years building financial and operational readiness, and understandably so, but very few spend equivalent time thinking about who they will be and what they will do on the other side of the transaction. A founder's identity is often deeply fused with the company they built. Underestimating how disorienting it is to let that go is one of the most common and most avoidable mistakes in the entire process.

"You're thinking about what comes next, not because you're done, but because you're building toward something. Getting there on your own terms means thinking about all of it, not just the balance sheet."

WHAT THIS MEANS FOR YOU

Start the conversation before you need *an answer*.

You do not need to have decided whether you are selling, merging, or building toward category leadership for another decade. What the data makes clear is that founders who start thinking seriously about the next chapter years in advance, rather than reacting to an inbound offer or an unplanned life event, consistently end up with better outcomes on every dimension that matters: valuation, deal terms, and how they feel about the decision a year later.

- **Separate the timeline from the decision**

You can build toward optionality, clean financials, diversified revenue, a strong team, years before you decide what you actually want to do with that optionality.

- **Talk to someone who has done it**

The founders who navigate this well almost always have at least one advisor or partner who has been through a transition themselves, not just a banker who shows up once you are ready to sell.

- **Think past the closing date**

Give real thought to what you want your life and work to look like after the transaction, before you are in the middle of one. It is the single most under-planned part of the entire process.

We talk with founders about exactly this, often years before either of us knows what the eventual outcome will look like. No deck required, no committee to sell, just a conversation about where you are and where you are headed.

SOURCES

References

- [1] Iconic, citing Exit Planning Institute and Family Business Institute research, "What It Really Takes to Prepare to Sell a Business in 2026." iconic.co/blog/how-far-in-advance-to-prepare-to-sell-a-business

- [2] Gallup, "Most Small-Business Owners Lack a Succession Plan." news.gallup.com/poll/657362/small-business-owners-lack-succession-plan.aspx

- [3] Iconic, citing Family Business Institute and Exit Planning Institute research on preparation timelines, valuation impact, and post-sale owner regret. iconic.co/blog/how-far-in-advance-to-prepare-to-sell-a-business

- [4] Auxo Capital Advisors, "Sell-Side M&A Timeline: 9-12 Months to Close." auxocapitaladvisors.com/sell-side-mna-timeline

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Ready to start a conversation?

If you are thinking about what the next chapter looks like, whether that is years out or closer than you have said out loud, we would welcome the conversation. No deck required.

[For Entrepreneurs →](#)