



THIS WEEK'S PROGRAM

October 7, 2025

Exit Planning Exchange (XPX) Panel Discussion

by Susie Masotti



*Ann Marie Williams, JD, CPA/PFS
President of XPX Charlotte
Williams Advisory, PLLC*



*Adam Petricoff
XPX Immediate Past President
NXTChapter Advisors, Managing
Partner*



*Michael Stier
XPX VP & Community Outreach Chair
FocusCFO, Area President*



*Michelle Fritsch
XPX Educational Events Chair
Propel Comprehensive Wellness*



*Dr. Elizabeth Teagarden, Moderator
XPX Board Member
Rotary Club of Charlotte Program Chair
Owner, The Teagarden Group*

Charlotte Rotary Club was pleased to have **Elizabeth Teagarden** (principal of XPX and proud Charlotte Rotary Member) lead a panel discussion from XPX (Exit Planning Exchange). The panel included Ann Marie Williams, President of XPX Charlotte, Adam Petricoff, Immediate Past President of XPX, Michael Stier, XPX VP & Community Outreach Chair, as well as Michelle Fritsch, XPX Educational Events Chair.

Elizabeth began the panel discussion by explaining that XPX began 5 years ago as a service organization serving lower middle market companies on how to prepare your company for your exit. XPX is currently in 20 cities around the

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Elizabeth Teagarden

United States with another chapter coming soon.

Ann Marie was asked to provide further insight into XPX's mission. She explained that this national organization is designed to foster collaboration that a small business owner can trust. Early exit planning is key to lower middle market companies because 60 to 90% of the owners' wealth is generally tied up in their businesses. The reality is that in these-sized businesses, when the owner decides to make their exit, 80% do not sell, and 70% are led by second generations to not survive. XPX believes in planning your exit from your business as soon as possible, even as early as you're planning to open your doors.

Research has shown that these companies are unhappy with their exit, do not do pre-sale due diligence, and are not prepared for their own exit, and balk at the sale of their business because they have always done everything themselves.

There is a need for a paradigm shift, with early planning being a routine part of their business practice. By preserving value and growing toward their exit, they have a much better chance of being one of these businesses that don't fail but thrive beyond the sale by the original owner. The goal is to create something not only valuable but transferable. XPX offers a variety of specializations, including wealth advising, leadership development, succession planning, and more, at all stages of your business. XPX hopes to share the urgency of early exit planning so that the company you have built provides you with a life you want to live post-sale and that your business also continues.

Elizabeth asked Adam what the most important thing people are NOT doing. Adam explained that there are a variety of big missteps. The #1 critical skill is to surround yourself with a team that has your best interest at heart (even if their thoughts are different from yours) and listen to them. Most business owners do not like listening to their advisors – they are leaders by nature and bringing in others is difficult. Owners think their ideas are better than those around them. The better prepared owner is less emotional about this process. Lastly, he mentioned that continually knowing your EBOT (Earnings Before Owner Debit) is a key component of planning. Owners may not like to share this information with their advisors, and that is a mistake.

Elizabeth then asked Michelle why so many owners come to regret the sale of their company. Michelle explained that when a small business sells, the owner becomes disengaged not only from the business but from life in general because they don't know anything else. Many pass away within the first year. By personal/legacy planning, you don't have to lose your identity, which can lead to physical and mental decline. The suicide rate is highest in men over 45. The stress of the transition puts pressure on your health and life. Part of what XPX does is follow the Rotary model by serving others post ownership, which leads to happier and more successful former owners.

Michael was asked by Elizabeth about the quality of an advisory team and who needs to be at the table. How many is too many? Michael responded that the answer is dependent upon the phase of the business. A lot of work is done in the first 3 – 5 years, and then over 20 years in building your business. Those decisions are key to creating a key exit strategy. Getting your business ready and attractive from the start is the best way to start your exit strategy. Ask yourself, is your personal situation ready for the change? If not, perhaps your exit should be delayed until you are ready. Everyone has seen businesses where the owner has died with no plan for them to be gone, and that business has a high likelihood of not surviving.

Michelle asked Adam to describe a business that makes a lot of money for the owner and their family, but it is not transferable because they haven't planned it. Adam replied that there is a difference between a lifestyle business (that provides for the owner and their family) vs. a transferable business, which could lead to the business taking care of the owner and their family long after their exit. Delivering the news that your business is not transferable really sucks, but you must tell them. They need to start planning their exit on the first day of their business. 50% of business owner exits are involuntary, so the sooner you start planning, the better off you are. If you prepare now, in 10 years you'll have better business.

Ann Marie shared that you could build on the team of advisors and the criteria you use to help a business build its team. The right professional can preserve decades of wealth. The four advisor criteria that we believe in are someone with experience with complex transactions (i.e., tax code, settlement sales, strong NDA, vendor relations, etc.) Many deals do not close because of this one area – an expert isn't managing your business. An advisor that you can collaborate with to create discipline in your planning, including insurance, taxes, philanthropy, and family wealth. Coordination creates a more successful outcome. Your Advisors should be proactive and not reactive. Creating a comprehensive estate plan is an example, including creating a trust. So much is lost once the sale is underway if this area isn't monitored. Your advisors should be assigned with your personal and family goals. They should be in line with you on what your wealth is meant to accomplish.

Michelle was asked why the owner who has built a transferable after the sale is so lost afterwards? Michelle replied that so many times, communication between life partners is the key to successful life changes. Most will sell the business and have 6 months of pure joy. Then the day comes when they realize they have decades to go and have no idea what they are going to do next.

Finally, Elizabeth asked Adam how they plan the team of advisors. Adam explained that the core backbone is that we are advisors only – when we go to a meeting, you have to be invited in, and who you invite needs to make the team better. Bring the best advisors you need, knowing that you'll need different quarterbacks at the end of each stage of your business. The average owner lives for 20 years post-sale. We try to create a best-in-class model (like the Rotary Model) to educate our clients and each other. Better prepared businesses make our community better, and we want them to remain engaged in our community.

The panel then took questions from the membership:

1. Sellers have a buyer who wants to pay out over a period of years. What is your advice in that area? It isn't something the team would advise that you need to be talking to multiple buyers and working out the best financial plan for you and your family. If we had a client with a buyer who wanted to buy their business and pay for several years, I would tell them to walk away and work on a sales model that attracts more buyers.
2. How does a business owner value their business? Owners hear of others in a similar business who are selling and think they can get the same price. It is important to have your advisors give you advice on how to create a business that someone else can take and run with. One person's sales are not the same as your sales. Sales are often structured in many ways and should include ways to mitigate taxes, but you must weigh the risk.
3. Does repeat rate affect the value of your business? Every owner wants repeat revenue, but what you really want is recurring revenue (meaning standing orders, not ones that come in infrequently). You can show recurring revenue that repeats, and that is at the top of the buyer's list. Buyers will pay more for a business with more recurring revenue.
4. How do you assess the value of the seller in the business? If you have documented processes that are repeatable, then a buyer will put a lot of value on that plan. This includes business plans as well as leaders – if you've got a strong team and a business with recurring business, that's the best way to sell your business.
5. The question was asked about the sole proprietorship business that seems unhappy. What advice do you give? On the personal side, they need to have a clear understanding of their role to make the transition easier. A sole proprietorship is hard to run with two people (i.e., the seller staying on for a period). The new person could upset the equilibrium, and everyone feels it. XPX is built to be honest with all businesses, including sole proprietors, to give them an honest assessment and try to help them plan for exit success.

Charlotte Rotary Club is pleased to have had XPX share its expertise with the membership!

**Unfortunately, this week's video is unavailable due to technical difficulties.*