



# Finishing Strong: Winding Down a Failing Business

Effective steps for closing down a failing business

# Introduction

All businesses should have an Exit Strategy: either to sell a successful business, or to close down a failing business.

“I have not failed. I’ve just found 10,000 ways that don’t work”

Thomas A Edison

Business Failures and Closures happen all the time

# Why Businesses Fail

- Poor Management
- Poor Marketing
- Poor Sales Strategy and Performance
- Poor Cashflow
- Inadequate Capital Investment
- Imprudent Cutbacks
- Volatile Supply and Delivery Chains
- Too rapid Expansion

# Common Exit Strategies In Business

- Cash In: take the money and run. Legal, moral and ethical issues to consider
- Liquidation
- Bankruptcy

# Practical Steps

- Timing: when is the right time to close down?
- Notify:
  - Employees(if any)
  - Customers
  - Creditors
- Liquidate Assets:
  - Asset Register
  - Inventory

# Practical Steps

- Legally resolve financial obligations:
  - Employees (if applicable)
  - Creditors
  - Business bank accounts
  - Lease agreements
  - Statutory: SARS, UIF, etc
- Legally Dissolve the business entity

# Move On

“100% of the shots you don’t take, don’t go in”

Wayne Gretzky

Some of the most successful people in business today have failed a few times before becoming successful.



# Thank you