SELL-SIDE ADVISORY ONLY

COMPARISON

Full Sale vs Partial Sale

Which exit route fits your goals, your business and your timeline

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Arrange a confidential discussion with Tony Vaughan, founder.

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Full Sale vs Partial Sale: UK Exit Options Compared

This is a decision about personal objectives as much as deal mechanics. Compare what each route means for cash, control, risk and the life you want after the transaction.

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Sell-side advisory for UK business owners

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THE FOUNDERS' GUIDE

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IN PLAIN ENGLISH

A full sale gives you certainty and a clean break today. A partial sale gives you cash now, a continuing role and the chance of a bigger total return on a second exit. The right answer is less about deal mechanics and more about the life you want immediately after the transaction completes.

Start with the outcome you want

Founders often compare a full sale and a partial sale as if they are simply two deal structures. In reality, they solve different problems. A full sale is designed for finality. A partial sale is designed for continuity with de-risking. One gives certainty and closure. The other gives cash now, involvement later and the possibility of a larger total return.

The right answer depends less on abstract valuation theory and more on your personal position. Are you ready to leave? Do you still enjoy the business? Do you need to release capital without closing the door on future upside? Is succession unresolved?

Side by side comparison

Dimension	Full sale	Partial sale
Cash on completion	100% of agreed value	Portion now, remainder on second exit
Ongoing involvement	Usually limited to handover	Founder stays involved, often leading
Control	Transferred entirely	Shared governance or founder-led
Risk profile	Clean break, no future exposure	Retained equity carries future risk and reward
Valuation upside	Locked in at completion	Second exit can deliver higher total value

Dimension	Full sale	Partial sale
Suitable for	Retirement, clean break, urgent liquidity	Growth, de-risking, succession planning
Buyer type	Trade buyer, PE, or MBO team	Strategic partner, trade buyer, or PE
Timeline to full exit	Immediate	Typically 3 to 7 years for second exit

When a full sale is usually the better answer

- You are ready to leave the business and do not want a continuing role
- Immediate certainty matters more than future upside
- There is no appetite for retained equity or shared governance
- The business is already at or near peak value and you want to lock that in
- Your personal objectives point clearly to retirement, a new venture or a clean break

When a partial sale is often the smarter route

- You want to take meaningful cash off the table but are not ready to leave
- The business has genuine growth headroom and you want to participate in it
- A strategic or financial partner could accelerate value creation
- You want a managed runway to succession rather than a day-one exit
- You believe the total value of two transactions could exceed one full disposal now
- You want flexibility over timing rather than a single irreversible decision

The total value question

A full sale does not automatically maximise value. It simply crystallises value today. In many partial deals, especially where the founder stays involved and the incoming partner adds capability, the retained equity becomes exceptionally valuable if the business grows strongly and the second exit is timed well.

That does not make a partial sale universally superior. It introduces retained risk, governance complexity and dependence on the quality of the partner. The sensible way to think about this is total package value over time: cash now, retained equity, governance terms, and the realism of the second exit.

Typical founder scenarios

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- Founder needs succession, not a cliff-edge handover: a partial route gives the time and structure needed to build management depth before a final departure.

Founder questions, answered

Will I lose control in a partial sale?

It depends on the stake you sell. Selling a minority stake means you keep majority control. Even in a majority sale, founders often negotiate board seats, veto rights and operational leadership as part of the deal.

How much more can a two-stage exit deliver?

There is no fixed answer. In many PE-backed deals, the second exit delivers as much or more than the first. The total return depends on the growth achieved, market conditions and the quality of the incoming partner.

What are the tax implications of each route?

Both full and partial sales may qualify for Business Asset Disposal Relief, but the structure of the deal affects your tax position. You should take specialist tax advice before committing to either route.

How long does a partial sale take compared with a full sale?

Timelines are broadly similar, typically four to nine months from mandate to completion. Partial sales can sometimes take longer where retained equity terms and governance need detailed negotiation.

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Get in touch

Every enquiry is reviewed directly by our founder, Tony Vaughan, and handled on a strictly confidential basis. We never act for buyers.

Confidential discussion

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Calls returned the same working day. No paperwork, no commitment.

Registered office and trading style

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