Vendor-Initiated Management Buyouts

Strategic Exit Planning



What Is a VIMBO?

A Vendor-Initiated Management Buyout (VIMBO) allows an existing owner to sell their company to the current management team, typically through a newly formed vehicle (Newco).

The transaction can be structured to:

- Create a practical exit route when external buyers are unavailable or unsuitable, by enabling the management team to acquire the business from within.
- An immediate change of ownership on day one, with payment settled over time under agreed security arrangements.
- Secure vendor value through properly documented deferred-payment terms and safeguards.
- Maintain business stability and continuity for all stakeholders.



Simplified illustration of a VIMBO

Key Potential Benefits

1. Smooth Exit & Continuity

Sell your business to the existing management team, ensuring continuity for staff, customers, and suppliers.

2. Tax-Efficient Exit Planning

Structured correctly, a VIMBO delivers a commercially sound and efficient exit for the vendor, with ownership transferring on completion and consideration paid over time.

3. Controlled Transition

Negotiate the timing and structure of your exit, retaining influence over key aspects of the business during the transition period.

4. Flexible Funding Options

Structure funding so the management team can fund the buy out over time through the business's ongoing profitability.

5. Preserving Legacy & Culture

A VIMBO helps maintain your company's values and reputation by transferring ownership to those who understand the business best.

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YOUR NEXT STEP

Plan your next chapter



Who Might Consider This?

A VIMBO could be worth exploring if you:

- Are planning a partial or full retirement from your business.
- Want to reward and empower your management team through ownership.
- Prefer a controlled exit rather than a sale to a competitor or private-equity firm.
- Operate a profitable, well-established company with a capable management team.

How We Work with You

We provide:

- A confidential review of your business, objectives, and potential deal structure.
- Advice on structuring the transaction to maximise efficiency, clarity, and value for the vendor.
- Coordination with your accountants, solicitors, and other advisers to ensure the transaction is commercially viable.

Visit our website

Start the conversation

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Important: This information sheet provides only a general overview. Full suitability depends on your personal circumstances, tax position, and future plans. All planning is carried out in accordance with current UK legislation and HMRC guidance.