

Preparing for the Business Sale

For the seller to achieve the best terms, which usually requires the highest price for the business, there must be strong preparation for the sale.

HOW MUCH TIME?

Preparation will help reduce the seller's time throughout the selling process. A good business broker will help the seller gather and organize information, and share such information with prospective buyers. The strongest information for prospective buyers includes a thorough description of the business, its market, customers, business results and potential. Strong business results include 3 years of financial statements, ideally sourced from tax returns that have been filed with the Internal Revenue Service and other taxing authorities. When the seller invests time up front, it will reduce time later in the process.

BUYER PROFILE

It is important for the seller to understand the buyer — their background, motivations, financial capabilities and overall business acumen. A good business broker will gather such information about the buyer, and will help the seller evaluate the buyer. A good match of the buyer and the business is imperative for success. Most buyers expect some seller financing, which is important for the seller to offer. Seller financing is even more reason for the seller to look closely at the buyer's capabilities, to offer a strong transition (training, etc.) for the buyer, and to stay involved throughout the selling process.

ADVISORY TEAM

Great business owners have a strong team. The seller should put together a team of advisors to assist with the sale of their business, especially in preparing the business for sale. Although the seller will have extensive knowledge about the business, they should engage advisors that offer perspectives that help the seller with the many aspects of selling their business.

The sellers advisory team members should include the sellers CPA firm, attorney, insurance agency, people with background in the industry, and those familiar with the process of how to sell a business. Business Acquisitions are experienced business brokers, and can help sellers plan, market, negotiate and close the sale of their business.

Involve Business Acquisitions, LLC as your Business Brokers