

It's Time to Exit. Are You Ready?

Thinking about whether or not you are ready to exit is an important question. It's something that every business owner will have to address at some point. Importantly, you don't want to wait until the 11th hour to prepare to sell your business. There are far too many pieces in this particular puzzle to wait until the last minute. You'll want to begin the process sooner by asking yourself some key questions.



Determining Value

First, you'll need to determine the actual value of your business. It is a harsh truth, but what you think your business is worth and what the market feels that it is worth may be two very different things.

This point serves to underscore the importance of working with a business broker or M&A advisor early in the process. An experienced broker or M&A Advisor knows how to go about determining a price that will generate interest and seem fair. Remember that at the end of the day, it will be the marketplace that determines the value of your business, but working with a seasoned professional is an excellent way to match your offering price with what the market will ultimately bear.

Going Within

Secondly, you'll want to consider whether or not you truly want to sell. It is not uncommon for business owners to begin the process of selling their business only to realize a few hard facts. Wanting to sell and the time being right to sell are often two different things.

Upon placing your business on the market for sale, you may learn that you're not emotionally or financially ready. If this happens to you, consider it a learning experience that will serve you well down the line.

Get Your Ducks in a Row

If you have done a financial assessment, a little soul searching and have begun working with a business broker or M&A advisor to determine that now is a good time to sell your business, then there are several steps you'll need to take. You can be sure that any serious prospective buyer will want a good deal of information regarding your company.

At the top of the list of items potential buyers will want to see are three years of profit and loss statements as well as federal income tax returns for the business. Other important documents ranging from lease and lease related documents, lists of loans against the business and a copy of

a franchise agreement, when applicable, are all additional documents that you will need to provide. You should also have a list of fixtures and equipment, copies of equipment leases, and an approximate amount of inventory on hand. A failure to not have this information organized and ready to present at a moment's notice could be a costly mistake.

Working with a professional business broker or M&A Advisor is a savvy move. Owning and operating a business can be a complex process, and the same holds true for selling a business. Investing the time to seek out experienced and professional advice is the first step in selling your business.

CK Business Consultants, Inc. has been dealing exclusively in the sale and acquisition of petroleum and propane related mid-market companies since 1976. We are qualified, experienced, and highly professional intermediaries working with both buyers and sellers in the successful transfer of business ownership. We handle all phases of the project including initial analysis, valuations, developing a confidential information memorandum, locating qualified buyers, negotiations, and execution of the transaction. For more information, please call or email Gary Papay @ 570-584-6488, gpapay@ckbc.net or visit our website @ www.ckbc.net.