

Determining the Right Time to Sell

Determining when it's finally the right time to sell can be a tricky proposition. If you are thinking about selling your business, one of the best steps you can take is to contact a business broker or M&A Advisor. A good business broker or M&A Advisor will have years, or even decades, of proven experience under his or her belt. He or she will be able to guide you through the process of determining what you need to do in order to get your business ready to sell.



One major reason you should contact a business broker or M&A Advisor long before you think you might want to sell is that you never know when the right time to sell may arise. Market forces may change, unexpected events like a large competitor entering your area, or a range of other factors could all lead you to the conclusion that now, and not later, is the time to sell.

In a recent *The Tokenist* article, “[When is the Best Time to Sell a Business?](#)”, author Tim Fries covers a variety of factors in determining when is the best time to sell. At the top of Fries’ list is growth. If your company can demonstrate a consistent history of growth, that is a good thing. Or as Fries phrases it, “What never varies, however, is the fact that growth is a key component, buyers will look for.” Growth will be the shield by which you justify your price when you place your business on the market.

If your business is experiencing significant growth, then you have a very strong indicator that now could be the time to sell. Fries points to a quote from Cerius Executive’s, CEO, Pamela Wasley who states, “When your business has grown substantially, it might be time to consider selling it. Running a business is risky, and the bigger you get, the bigger the risks you have to face.” Again, growth is at the heart of determining whether or not you should sell.

Knowing the “lay of the land” is certainly a smart move. For example, have there been a variety of businesses similar to your own that have sold or were acquired recently? If the answer is “yes,” then that is another good indicator that there is substantial interest in your type of business.

Reviewing similar businesses to your own that have sold recently can help you determine how much buyers are paying for comparable businesses. This can help you spot potential trends. In short, you should be aware of market factors. As Fries points out, everything from relatively low taxes and low interest rates to strength in the overall economy and an upward trend of sales prices can impact the optimal times for a sale.

Now, as in this exact moment, might not be the right time for you to sell. Getting your business ready to sell takes time and preparation. Fries points out that smart sellers “look for a good time, not the perfect time” to sell a business. Working with a business broker or M&A Advisor is a great way to determine if now is the right time to sell your business and what steps you have to take in order to be prepared for when the time is right.

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.