

Key Mistakes that Could Impact Your Sale

The old saying, “an ounce of prevention is worth a pound of cure,” most definitely applies to any business owner that believes he or she will someday want to sell his or her business. The bottom line is that every business owner has to transition out of ownership at some point. In a recent Inc. article, [“Four Mistakes That Could Lower Your Business’s Value and Weaken Its Salability,”](#) author Bob House explores 4 mistakes that could spell trouble for business owners looking to sell.



No doubt House explores some excellent points in his article, such as that you should always have what he calls, “a selling mindset.” The reason this mindset is potentially invaluable for a business owner is that when operating in this way, sellers are essentially forced to stay on their toes.

Or as House writes, “a selling mindset encourages continual innovation, growth, and investment, helping your business stay ahead of the competition and at the top of its potential.” Having a “selling mindset” means that business owners have no choice but to perform periodic reality checks and access the strengths and weaknesses of their businesses.

Mistake #1 Poor Record Keeping

For House, poor record-keeping tops the list of big mistakes that business owners need to address. As House points out, both potential buyers and brokers will want to examine your books for the last few years. The odds are excellent that before anyone buys your business, they will look very closely at every aspect of your financials, ranging from your sales history to your operating costs.

Mistake #2 Failure to Innovate

The next potential mistake that business owners need to avoid is a failure to innovate. House notes that a lack of tech-savviness could make your business less attractive to prospective buyers. The simple fact is that virtually every business is now impacted in some way by its online presence, whether it is the quality of that presence or lack of it altogether. For House, a failure to maintain an active online presence could be associated with a failure to innovate. Even if your company is innovative, if you do not maintain a coherent and robust online presence, this could portray your company in a negative light.

Mistake #3 Unstable Workforce

House also feels that having an unstable workforce could spell trouble for your business's value and negatively impact its salability. Most prospective buyers will not be very eager to buy a business that they know has a lot of employee turnover. In general, new business owners crave stability. Attracting and keeping great employees could make all the difference when it comes time to sell your business.

Mistake #4 Delayed Investments

The final factor that House notes as a potential issue for those looking to sell their business is delaying investments and improvements. House states that it is important for owners to continue to invest even if they know they are going to sell. Investing in your business can help it expand, grow and showcase its potential future growth.

Another excellent way to prevent making mistakes that could interfere with your ability to sell your business is to begin working with an M&A Advisor. A top-notch M&A Advisor knows what mistakes you should avoid. This experience will not only save you countless headaches but also help you preserve the value of 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.