

## **Around the Web: A Month in Summary**

**A recent article posted by The National Law Review entitled “Thinking of Selling? Start Early, Build Your Team”**

explains the importance of putting together a good team of trusted advisors well in advance of selling your business. Your team should include an attorney, accountant, investment banker, and wealth manager. This team will help you with various aspects of selling your business such as:



- Setting a realistic valuation on the business
- Finding potential buyers
- Handling due diligence and information requests from buyers
- Structuring a transaction for tax & liability protection
- Dealing with the sale proceeds and making sure your goals are met

It is a good idea to put this team together as soon as possible if you’re thinking of selling, so everyone has time to prepare. There are so many aspects to a business sale and it is essential to have an experienced team of professionals to guide you in the process.

[Click here to read the full article.](#)

**A recent article from The San Angelo Standard-Times entitled “Business tips: Don’t neglect due diligence when buying a business”** emphasizes the important of due diligence when buying a business, which consists of looking into and understanding the important aspects and fine details of the business before closing.

The first aspect to consider is if the business is right for you and your personal circumstances. Taking over a new business will require some help from the previous owner who has knowledge of the business and the industry. You will also want to take into account how many hours are needed, if the job will involve a lot of physical work, and if your family supports you in the purchase of this type of business.

Reviewing and analyzing the seller’s numbers and documents is also a huge part of due diligence. Consider using the help of a CPA and M&A Advisor to go over the

financials of the business. You will also want to look into things such as if there are any claims on the business or if the business owes back taxes. Doing your due diligence now will ensure that there are no surprises later on in the process.

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**A recent article posted by the Smart Business Network entitled “Planning an exit when a succession plan isn’t an option”** explains that selling your business should be part of your exit strategy when creating a succession plan is not an option. To prepare a business for sale, the business owner should recognize the strengths of the business which would appeal to potential buyers and should also have a good understanding of the business’ financials.

Business owners may also want to work with a bank that is experienced in exit planning. The bank can assist with providing insight into how buyers will view their business and what obstacles may occur while a buyer is trying to finance the acquisition. Banks will also be able to work with the buyer in assisting them with financing.

It’s important for a business owner to work with experienced professionals who have worked with sales, acquisitions and exit strategies to help them prepare for a business sale.

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**A recent article posted by Business.com entitled “Why It’s Prime Time to Buy a Business from a Retiring Baby Boomer”** gives several good reasons why it is a good idea to consider purchasing an existing business, as a flood of baby boomers will be looking to sell their businesses and retire over the next decade.

There are many benefits to purchasing an existing business:

1. Minimal upfront costs and you not only purchase the business but also the brand, customer-base, management policies and more.
2. Low risk because the business is already established and has a proven track record.
3. Steady cash flow along with employees and equipment.

With the generation of baby boomers looking to sell, there will be ample opportunities available for buyers. It’s important to stay in the loop and keep an eye out on available businesses by staying connected to your professional network, brushing up on local & industry publications, looking at online marketplaces, and working with an M&A Advisor.

[Click here to read the full article.](#)

**A recent article written by Live Oak Bank entitled “6 Business Acquisition Tips from SBA Loan Experts”** outlines six factors that lenders review for loans financing mergers and acquisitions.

1. **Stable or Positive Trend** – Not only a positive trend but stability in these trends are what lenders look at to make sure that any recent growth or improvement is sustainable. A decrease in revenue is a red flag and a negative trend should be stabilized or reversed.
2. **Business Plan** – Buyers need to have a business and transition plan for the business they are acquiring so lenders can see they have a good understanding of the business and plans for improvement.
3. **Key Employees** – Lenders like to see that key employees will stay on with the new owner, which helps lower the risk and make the transition easier.
4. **Seller Transition Period** – Make sure you have a transition plan in place where the seller is able to help train and assist the new owner.
5. **Seller Financing** – The seller financing a portion of the deal shows the lender that they are confident in the new owner and lowers the risk factors.
6. **Working Capital** – M&A lenders will review the financials of the business to see what working capital is needed. The buyer should demonstrate a clear understanding of how much and what type of working capital is needed for the business transition.

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**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](mailto:gpapay@ckbc.net) or visit our website @ [www.ckbc.net](http://www.ckbc.net).

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