Around the Web: A Month in Summary

A recent article posted on BizJournals.com entitled "Top 5 rules on preparing your company for sale" explains how the best time to begin preparing your business for sale is right now. The article highlights these main rules to follow:

1. Start auditing your financial statements now as these will be required by the purchaser.
2. Keep appropriate, complete corporate books and records so everything is ready to be presented to a buyer when the time comes.
3. Obtain a professional valuation of your company so you can use this as a roadmap for growing your company and ultimately maximizing the exit price.
4. Use the valuation of your company to determine what assets are superfluous and will not be valued. This can also help you make future decisions with your business strategy.
5. Start the process now for finding a second in command who could easily replace the founder of the company. This will be very valuable to the future buyer after the sale is made.

Starting to prepare your business for sale now will help make the sale process much easier when you decide it's time to sell.

Click here to read the full article.

A recent article from The Axial Forum entitled "Maximizing Your Business Value Before a Sale" gives insight into how to get the most out of a business sale. According to the article, the key to a successful sale comes in driving business value before selling the business. This can be done in a wide variety of areas of the business, from aiming to increase sales growth to product innovation, improvement of backend systems, and more.

Many of the methods and value-driving factors can take many months, if not several years, to implement and improve, so proper thought and planning is necessary to get the most out of the process. In the ideal situation, maximizing business value ahead of and in preparation for a sale will make a business much more attractive to a potential buyer.

Click here to read the full article.

A recent article from Divestopedia.com entitled "5 Essential Steps to Ensure Due Diligence in Private Company Acquisitions" explains the necessity of due-diligence during the acquisition process. Due diligence cannot be stressed enough and the fact that it is always popping up just shows its importance and relevance to a successful deal process. The following steps outline critical components of completing due diligence for an acquiring company:

1. Construct an Investment Thesis
2. Analyze Your Competitive Position
3. Measure the Strength and Stability of the Acquired Company
4. Revenue Synergy
5. Integration

While this is not an exhaustive list, the aforementioned steps outline an important process necessary for any acquirer to ensure they are best prepared for a successful acquisition.

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A recent article posted on The Axial Forum entitled "Capital Superabundance is Transforming Middle-Market M&A" explores the effect that the abundance of cheap capital is having on middle-market transactions. This "capital superabundance" is having effects across the middle-market sector among private equity firms, corporate buyers, investment bankers, and middle market companies alike. Brand value is more important than ever in the eyes of private equity companies and corporate buyers, investment bankers are using data and advanced technological systems to find clients, and for sellers, there has never been a better time to sell a business.

The fact of the matter is the market is hot right now. Though capital superabundance is just one of many varying parts of this market change, it is a driving factor behind much of the success we're seeing.

Click here to read the full article.

A recent article posted on Divestopedia.com entitled "Know Your Buyer" outlines the importance of knowing and understanding potential buyers in the market when putting a business up for sale. This is important because knowing the different types of potential buyers will give an owner insight into how to approach and appeal to the types of buyers they want to take over their company.

Different types of buyers will likely have different motivations and therefore produce different outcomes for a business transaction, so knowing and understanding them will help to give an owner better control over the future of their company and ideally help make the right decision on who to sell to.

Click here to read the full article.

About CK Business Consultants, Inc.:

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.*