

## Industry Association Market Pulse Survey Predicts Market Change

The just released IBBA and M&A Source Market Pulse Survey provides valuable insights. The survey's purpose is to provide understanding of current market conditions for selling businesses in two market segments, "Main Street" for values up to \$2 million and the "Middle Market" for from \$1 million up to \$100 million. This survey was designed to inform business owners and their key M&A brokers and advisors. The survey is supported by Pepperdine University's Private Capital Markets Projects and Graziadio Business School.



Of particular importance to owners thinking of exiting by selling a business in the next five years or more, is the finding that one-third of advisors fully expect the strong market to end this year. Overall, advisors are not optimistic that the current strong sellers' market will last through 2020. Most advisors are recommending that sellers strongly consider placing their businesses on the market now to capture the high valuations and buyer demand.

This is further supported in that less than 20% of experienced M&A brokers and advisors expect the current sellers' market to hold for 24 months or more. It is striking that 60% of advisors expect that the current favorable climate will end within the next two years. *This is a major change of outlook as compared to surveys over the past few years.* This market shift, when considered with the fact it commonly takes as much as a year between a decision to sell and closing on selling a business, makes it clear that starting now rather than procrastinating on an exit may yield the best value.

Keith Chapman, a founding partner of The Oil & Gas Advisor notes, "In my 43 years advising clients on business sales and acquisitions, today, I see the time to get deals closed has lengthened. Buyers are moving with caution in due diligence and closing, to be certain the higher valuations being paid in today's market will be a good investment."

Is now the best time to sell a business? Many experts understand that it is very likely many business owners may lose a lot of value for their company by waiting too long to sell. Market changes will wait for no one. Just a few months can make a huge difference in terms of perceived value and the realized sales price. Working with a certified M&A broker, investment banker or business broker helps to ensure that you are selling at the right time and will secure the best possible price.

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

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