



How to Think About Selling Your Business

By Gary Papay, M&AMI

The question of whether to sell your business is a difficult one. It is, no doubt, the biggest financial transaction you'll ever make. Yet every successful business owner must face it eventually.

There are several things to consider when selling your business:

- **When is the right time to sell?** It's important to pay attention to what's going on within your company and industry. For a successful sale, you and your business must be ready. Your business should be properly managed and you should be able to demonstrate your company's financial capability. If you want to sell your business by a certain date, allow sufficient time as selling a business is a complicated process that takes time ..
- **Potential buyers.** This may include competition, customers, vendors, suppliers, long-term employees or perhaps you have family members who wish to take over the business. Most often it is someone from outside of your circle of influence. A good intermediary can perform a proper search and will assist you in determining who may be the best acquirer.
- **Maintain records.** You want all of your hard work to pay off in the sale, so be sure you have current, detailed records that provide an auditable assessment of the company's financial position, and future projections.
- **Determine your business' value.** A business' value is determined by a compilation of factors such as the company's sales, earnings, performance, market outlook, personnel, net book value and fair market replacement value of equivalent operating assets. But it can also be influenced by intangible assets like the company's image, reputation and goodwill.
- **Seek professional help.** Regardless of your background, you should still seek professional advice. There will be many financial, legal and tax issues that will need to be resolved before you can sell your business. This will allow you to continue working on normal day to day business operations to keep your business moving forward.

IBBA business brokers or intermediaries are skilled in the process of selling a business. They are most often paid by a seller for their services. The most important factor is to have an experienced team of advisors during the sale process. This team should include a business broker/intermediary, accountant, and lawyer who have experience in the deal process.

Always remember that selling a business is usually a one time event. Preparation is a key to a successful sale. Be sure you understand the process involved.

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