

How to Optimize Your Chances of Selling Your Business

The simple fact is that selling your business is likely to be the single most important financial decision you'll ever make. With this important fact in mind, it is essential that you prepare far in advance. Let's dive in and take a look at some of the key items you'll want to check off your list before placing your business on the market.



Think About Legalities

When it comes to selling a business, legal issues should be at the forefront of your thoughts; after all, selling your business does involve the creation and execution of a complex and detailed legal agreement. There are many times in life where it is possible to cut corners, but hiring a good lawyer or law firm is not one of those times. Moreover, you'll want to settle all litigation, environmental issues or other issues that could potentially derail a sale.

Deal with Serious Buyers

Working with a good business broker or M&A advisor is an essential part of the selling process, as these professionals will help you to weed out "window shoppers" as well as prospective buyers who are simply not a good fit for your business. Any serious buyer should be willing to submit a Letter of Intent. Everyone should be on the same page as far as price and terms as well as what assets and liabilities are to be assumed. This second point reinforces the first point. It is essential to have an experienced lawyer helping you through various aspects of the sales process.

Be Flexible on Price

You should also be prepared to accept a lower price than you might ideally want. There are many reasons that this may occur, ranging from a lack of management depth and a lack of geographical distribution to a dependence on a limited number of clients. Reliance on a small number of customers and/or clients can give potential buyers pause, as it could raise concerns regarding the stability of your business. Addressing these issues years before placing your business on the market can help you best achieve the price point you desire. This is yet another reason to work with a business broker in advance.

Improving Your Chances for Success

In terms of achieving the price that you want for your business, there are other steps you can take. Increasing the visibility and profile of your business is always a savvy move. Consider attending trade shows, boost your online profile via stepping up your social media game and explore creating a coherent public relations program.

Finally, selling a business is often a waiting game. You have to be psychologically prepared to wait a considerable period of time before your business is sold. The fact is that most businesses do indeed sit on the shelf for a considerable period of time before they are sold.

Preparation, patience and good organization will dramatically increase your chances of selling your business and achieving an appropriate price. The sooner you begin organizing your business and working with experienced professionals, the greater the chances of success will be.

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.