

5 Key Stages of Selling Your Business

1. Preparation

As with anything else in life, preparing your business for sale is key. From preparing for the due diligence process to planning the sale structure and your exit plan, this is fundamental to maximise on your sale and prevent your buyer from chipping away at your purchase price.

2. Value your Business & find a Buyer

A Corporate Finance Advisor can assist you with this process and finding the right buyer and structure for your deal. You should ensure that you have in place a comprehensive Non-Disclosure Agreement to protect your company's information and know-how. Once you have found a buyer and agreed a purchase price and structure in principle, this should be documented in the Heads of Terms. These are largely non-legally binding but it is important to make sure the headline terms are agreed to prevent any protracted negotiations on your deal.

3. Due Diligence Enquiries

Your buyer will raise a series of questions about your business, its assets and historic trading position. It is important to answer these honestly and carefully to ensure that you are not exposed whilst ensuring the Buyer has sufficiently detailed information to assess the purchase. We can assist you with this process through management of a data room for you to provide your responses through.

4. Legal Documents

Your transaction will contain a series of legal documents from your sales contract (which may take the form of a Share Purchase Agreement or Business Sale Agreement depending on your structure) through to a Disclosure Letter and ancillary documents required to effect your transaction itself. These need to be carefully drafted and negotiated to ensure that you know what you are signing up to.

5. Completion

This is where all of your hard work pays off! Exchange and Completion is often simultaneous in these deals, so the point where you are legally bound is also the point where you hand over the keys to your business. Of course, in most transaction you usually receive the proceeds of sale (or part of it) and you can begin planning your next endeavours!



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