

TOP TIPS FOR SELLING YOUR BUSINESS

Be prepared

To maximise the value of your business you will need to make it as attractive as possible to a potential buyer. Getting your house in order before you begin the sale process will not only make the actual transaction easier, but also reduce a buyer's opportunities to chip the price.

Prepare for YOUR exit

The likelihood is that you are the driving force behind your business and the reason that it reached the point it has today. You should look to create structures in your business (such as a strong management team) that will make it independent from you. If you choose not to do so, you should be prepared for the buyer to either reduce the purchase price or require you to stay on for a period of time post-sale.

Focus on your niche

Whilst almost every business needs diversity to help minimise risk and increase its value, the true value of your business will be found in its specialist areas, not to mention they are probably the main reason why the buyer is interested in your business in the first place.

Timing can be everything

There are no hard and fast rules for picking the best time to sell your business, however, by being conscious of the trends in the market as well as the wider economy, you will be better enabled to make an informed decision. You may also find it useful to chart valuations of your business over the course of its lifecycle to further assist your decision.

Understand the process

Rome was not built in a day and businesses are not sold in one either. If you can appreciate that selling your business is a multi-stage process that will, by necessity, take time to complete, you will be in a far better position to deal with the demands that will be made of you.

Don't forget your day job

When the sale process is in full swing it can be easy to lose track of the day-to-day running of your business. Not only will the buyer want to see that the business remains healthy throughout the sale process, you should remember that the sale is by no means guaranteed.

Patience is a virtue

In some instances a quick sale is what is best for the business and the seller. Most of the time sales are wars of attrition, it can be easy therefore to concede points of contention that you would not otherwise and come to regret those concessions once the dust has settled.

Find the right buyer

The buyer who is willing to pay the most will almost always be most sellers' preferred buyer. Nevertheless do not underestimate the value of having a good relationship with the buyer or the way that the headline figure gets paid.

Prepare yourself

Before the sale make sure you have given plenty of thought to your next steps, whether that is to retire in the sun, reinvest the proceeds or move on to another business venture. You don't want the sale documentation to unduly restrict what you want to do post sale.

Choose the right advisor

This will probably be some of the most important advice you will ever receive so take the time to choose the correct advisors, as not only will they help ease the burden but also provide the necessary expertise when it matters most.

GET IN TOUCH

For further information, please contact Kirsty Simmonds, whose details are below.



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