

MOST OPERATING BUSINESSES ARE NOT READY FOR SALE IN SHORT ORDER

Learn the market – business owners know the market for their products and services but not always the market for buyers of their type of business. Identifying key buyer profiles can be very helpful.

Assemble your team – Tax advisors, accountants, bookkeepers, commercial lawyers and business brokers. This may involve parting ways with long time advisors who may not be the best fit for the sale transaction. Find advisors you trust and are comfortable with.

Financial statement review – review as many years as you can. Identify and explain any trends or changes in reporting. Careful review of balance sheet, see what assets should be spun off (ie excess cash or land and building). Tax advice important for these decisions.

Review business/ ownership structure – Could changes be made to make it more salable, valuable and/ or tax efficient? Are all shareholder agreements up to date?

Review your key relationships and contracts – are any out of date or dysfunctional? Are there friction areas you have been putting off?

Arrange for a valuation of the business – this may surface additional areas for improvement and will help the Seller with their expectations. Make the valuation focuses on what a buyer would pay based on market comparables.

Refer back to point 1 – if possible tailor your offering to the most likely buyer you identified.