

Maximizing the Sale of Your Business Pt.

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With every New Year comes resolutions. Some make the same resolutions to themselves that they make every year and others vow to try something new. If one of your resolutions is to sell your business, you will want to start that process with as much information as possible. I say process of selling your business, because selling your business is not something that should be done with little thought and in any kind of slap-dash manner. Creating your exit strategy (if you haven't done so already) is something that should be considered and weighed out.

Planning is one of the most important aspects of an exit strategy.

Depending on your size, you may opt to go with a comparable brokerage firm or you may wish to sell your business yourself. If you opt to sell if yourself, you still want to make sure that you have a strong team of advisors that can help you achieve your goals. Here are a few things to add to your “to do” list.

Get your Books In Order

We have talked about making sure you paperwork is in order for your exit strategy many times. This is because it is something that bears repeating. Your financial statements are the best indication of the performance of your business and likely one of the first things that a potential buyer will ask for. The more formal your statements (either CPA reviewed or created) the better off you'll be when making an impression. You will also set yourself in a good light because you will be making it easier for your potential buyers to do their due diligence. The more credibility you can build with your buyers, the better sales price you are likely to get.

Don't Slack on Your Business Growth

It is always easier to sell a business that is doing well than one that is on a downward trend. Another way to make yourself look good is to keep up with your marketing strategies and customer service. Don't allow yourself to suffer from the business equivalent of “senioritis” (You may remember this feeling from high

school; the urge to do nothing once you know you're going to graduate). By showing continued initiative, you can show potential buyers what your business looks like when it's running successfully, and that makes for a much more attractive buy.

Consider the External Factors

As you have learned through your years of running a business, it does not operate in a vacuum. As much as we would sometimes like to think otherwise, external factors do and will continue to effect businesses. As you are developing your exit strategy and setting your business up for a successful sale, it's important to evaluate these factors as well. Keep an eye on the economy. A downturn can result in the cinching of belts and the reduction of acquisitions. This means that you could have fewer potential buyers and you may need to adjust your sales plans. Knowing these factors can save you from a disappointing sale.

Selling your business is a big deal. You have worked hard and put all of your time and effort into the success of this business. Isn't it fitting to put a relative amount of time and effort into the sale of it so that you can ensure the best outcome? We will continue to discuss more ways to maximize your sale in our next article.

United Health Care Capital is committed to helping small business owners with valuations, business transition and exit plan strategy. If you are interested in learning more, [contact United HealthCare Capital](#) to see how we can assist with your business transition and exit planning.

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