Should You Sell Your Health Care Related Business?

If you own a business, you have almost certainly put thousands of hours and a large majority of your personal finances into it. If the business you own has been around for more than 10 years, it usually means that you have been successful enough to make it worth the endeavor. However, you may be asking yourself if it's time to sell your business. Maybe you find yourself itching to take more time to do things you love or maybe you're just getting burnt out on running your own business. There are some things to consider before making any serious movements toward selling your business. Many business owners spend time and money to get halfway through the process of selling a business only to change their minds and back out.

1.) Are you truly ready to sell your business or do you just want a break?

Sometimes the pressures of running a business can take a toll, especially in the current economy. Small business owners are finding it harder and harder to stay afloat. It's possible that you're just feeling disheartened with the current state of things. Rather than selling your business, perhaps see if a change in management or structure might give you the break you need without giving up your company all together.

2.) Are you prepared to wait for your money?

Selling your business can be an attractive option if you are looking for a quick cash turn around and that cruise around the world starts looking incredibly tempting, but you also need to consider that the sale of a business is rarely, if ever, 100% cash up front. Usually the seller is asked to "hold paper", sometimes for years, before the total amount of the sale is released. So if you are looking to sell your business for any kind of quick cash, you may be sorely disappointed.

3.) Do you have an exit plan?

Do you know what you will do once the sale of your business is complete? Whether your plan is to invest in another business, travel the world, or work for a non-profit, many times the sale of a business falls through because the business owner does not have any kind of exit plan in place.

4.) Have you done your Due Diligence?

When conducting a sale of your business, you can be sure that anyone looking to buy your business is doing their research on your company. If there are any impending legal or tax problems they will find them before the sale is final. You can boost your integrity as well as your sale price by being up front and honest about any problems within the business. This could potentially lower the initial value of your business, but buyers are more likely to buy from someone who is being honest with them. Realistically, the buyer will uncover these issues during their due diligence anyway, so why not disclose up front and lessen the chances of a sale falling through?

5.) Do you know how much your business is worth?

Knowing the value of your business will give you a solid idea of what you can ask for it. You can always do a valuation yourself, but as a business owner, your business is your baby and you are less likely to recognize the factors that can lower the value of your business. It is far better to have a professional outside of the company complete a valuation and give an unbiased estimate of the value of your company.

Whether you decide to sell your business, pass it down to a younger generation or simply change structure to give yourself a break, make sure that you are prepared in every way and that your business is also prepared, in order to receive the best value possible from your endeavor.

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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