

Top 10 Tips when Selling a Business

1. **Start planning early** – it can take months or years to prepare a business for sale and in doing so, ensuring that full value is obtained.
2. **Become better known in your industry** – it can be very beneficial to have an active role in your industry association or other sector body. People should know of your business inside and outside the sector.
3. **Develop your management team** – the sign of a well run company – with less risk to the buyer – is when the owner manager can afford to take time off!
4. **Avoid the skeletons in the closet** – these must be identified well in advance and either dealt with or communicated to the buyer at the earliest opportunity.
5. **Addressing structural issues prior to selling** – this is particularly important with family businesses where there are sleeping shareholders. Few acquirers wish to buy less than 100% shareholding.
6. **Have accurate timely financial information available** – people need to build up *trust* in you and your business before they will consider it seriously.
7. **Develop an alternative to sale** – the best negotiating tactic is to have a believable alternative and be prepared to walk away.
8. **Ensure strong order/sales/profits leading up to the sale** – the sure-fire way to give confidence and prevent price reductions at the last minute.
9. **Get the right advisors** – ensure that they have experience in business sales and can work together.
10. **Keep your exit plans secret** – uncertainty is the worst motivator and however good your intentions it rarely pays to let the “cat out of the bag”.