

Step 5 PRESENTATION



This may sound a bit complicated, but if your preparation had been completed, all that's involved is answering phone calls, getting buyers to enter into confidentiality agreements, then giving buyers the opportunity to inspect the business and ask more questions.

Let's look at each stage, remembering you can't afford to waste any opportunity to attract an enquiry.

Initial Contact

The first stage is the initial contact with the buyer. It is likely you will answer some brief questions from the buyer over the phone or via email. Your answers won't be specific and will give the buyer just enough information to answer the question, "Is this a business I could be looking for?"

If, after this first contact, the buyer wants to look at the business further, he or she will request more information and the real presentation of the business begins. If the person decides that there is no future interest in the business, you are unlikely to hear from him or her again.

Confidentiality Agreement

After the initial contact, you ask the buyers who have shown continued interest to enter into a confidentiality agreement.

The confidentiality agreement is a legally binding document that obligates the parties

looking at your business to treat the information provided to them as confidential. A sample of a confidentiality agreement is provided in the action stage of this section. **This is a sample only and you must obtain legal advice from your solicitor to produce one that is relevant to the laws of the region in which you operate and in which intend to sell the business.**

After the parties sign and return the authorised confidentiality agreement, you can move to the next stage.

The confidentiality agreement is common practice in business sales. Most buyers are aware of this and familiar with them, and most people showing an interest in the business will be willing to sign a confidentiality agreement.

Information Memorandum

Once you have received the confidentiality agreement, forward the Information Memorandum to the buyer either by email, mail, fax or in person.

One of two things will happen at this stage:

1. The buyer has no further interest in the business and decides not to proceed.
2. The buyer is still interested and asks to meet with you to inspect the business and get more information.

After reviewing the information, the buyer may ask for clarification of details in the Information Memorandum or ask further questions. Be cooperative and answer the questions in a timely manner. From this time onwards, it is important to start building a good rapport with the buyer.

Business Inspection

This is the first meeting with the buyer. Everyone who has reached this stage should have read the Information Memorandum provided and will have a list of specific questions.

The business inspection and every subsequent meeting are crucially important. To conduct the presentation of the business optimally, it's important to understand the buyer's behaviour and the emotions that are involved in making a decision.