

“... the beginning is the most important part of the work ...”

- Plato

BEFORE YOU START

There are two parts to selling a business. The first part is attracting buyers to the business and the second part is getting them across the line. Successful marketing will attract the buyers and a well-prepared and well-executed presentation will get them across the line.

If you do one part without the other, you will not complete the sale. If you do both parts but either one is not done well, the results will be unsatisfactory. Unfortunately, many business owners complete the sale of their business with both parts executed poorly and the results achieved are disappointing.

To be able to do it correctly, you must understand and accept this. It is up to you, the owner, to do everything possible to help buyers see the future benefits of owning your business, and then help the eventual buyer take over the business. To do this, you have to understand the business market, what buyers are looking for, and how they make their decisions.

In this step I will focus on the crucial facts you must know before commencing the sale of the business.

YOUR ROLE AS THE OWNER

Most business owners see the process of selling their business the same way they see the process of selling real estate. They think that it is just the matter of ‘listing’ the business for sale, then waiting until the ‘right’ buyer comes along to pay the price that the owner is asking. Chances are that if you take this kind of approach, you will either end up selling the business for LESS than it is worth or not selling it at all.

So why is this the case and what can you do to sell the business for what it is worth?

It happens because in most property sales, the vendor and purchaser don’t meet. If the purchaser likes the property, he or she will simply buy it. The owner of the property is unimportant and has no impact on the buyer’s property inspection or the ‘performance’ of the property after the purchase. In the sale of a business, however, the owner is a crucial factor.

The owner of a business is involved in the introduction and presentation of the business to potential buyers. The owner plays a part in the buyer’s due diligence process (the process of investigating and clarifying the business records). The owner also plays a crucial role in handing over the business to the purchaser and the subsequent takeover i.e. introducing the new owner to employees, customers and suppliers.