



Ten Tips for Selling Your Business at a High Price with Low Stress;

An Experienced Business Broker Weighs In

Since most owners will only sell their business once, be sure to maximize your business sale profits and minimize your stress by preparing well for the sale. Experienced business broker and valuation expert Greg Caruso tells you how.

1. **Increase profits right up to the end.** This item is first because it's the single most important thing you can do to increase your business value. Too many business sellers take their foot off the gas once their company goes on the market. Stay focused on profits from the beginning of the sales process right through to the end. Strong profits also create excitement so that your buyer wants to close. That's a really good thing.
2. **Make sure you are mentally ready.** Selling a business can be stressful. All aspects of your business – even ones you may not want to deal with – are going to be reviewed. On a personal note, have you really decided what you are going to do next? Have you talked to your spouse, lawyer, CPA and other trusted advisors? Only you know what is right for you and your business but it helps to share your thoughts with those closest to you.
3. **Recognize that it takes 12 to 18 months to sell a business.** Start early and know that it will be a process that takes time.
4. **Keep it confidential.** In a perfect world, you would have been talking for years about selling your business with your management team and key advisors as part of your planning and goal-setting process. In the real world, if you have not regularly had that conversation and you are

now starting the business sale process it is important to keep things confidential until people need to know.

5. **Have the conversation with family members.** Similarly, if you want to sell to insiders or family members talk to them about it. The earlier the better. These transactions often take 3-5 years to plan and 5-7 years to execute. These may be difficult conversations but they are important ones if you really want a satisfactory outcome for all including yourself. Quick, last-minute inside deals rarely work.
6. **Prepare your business well in advance.** Document your business systems. A quality system allows normal people to obtain extraordinary results every time. Remember if everything depends on you, you may not have a business to sell. Make sure equipment and technology are in satisfactory condition. You do not need to be cutting edge but if everything needs to be upgraded and replaced it will lower value. If you run a sloppy shop, clean it up. Emotion is a big part of this process and clean and organized says valuable.
7. **Obtain an accurate business valuation.** Sorry but this is not a valuation from an app or free computer program. It does not need to be high priced but it should be performed by someone with real experience at doing valuations for pricing purposes. Anticipate being disappointed with the value as businesses do not sell based on owner effort. To get maximum benefit from the valuation work, talk to the valuer about how and why they arrived at the value and what you can you can do increase the value of your business.
8. **Your ongoing involvement after closing is likely.** Realize that you are likely to be involved with your business from two weeks to five years after the sale. Your transaction may also have a seller note and/or an earn-out.
9. **Hire a professional.** If you want to sell to outsiders, hire a quality business broker or investment banker. Find one that sells your size businesses or at least something close. Bigger firms are not always better. Experienced, honorable, and hardworking are good qualities to look for.
10. **Acknowledge it will take time.** Recognize that selling a business is all about people and emotion and that those matters are not always efficient. Namely they take time. It is often easy to find prospects. Turning prospects into buyers, however, is complex and time consuming. And referring back to tip number 1, if you are busy working with prospects who is overseeing improving business profits? Selling your business is a balancing act that will take time and commitment.

Selling a business is a process. Harvest Business Advisors knows the process well because selling and valuing businesses is all we do.

If you have questions do not hesitate to email or call us. We are always pleased to assist.

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