SELLING YOUR BUSINESS - TEN KEYS TO SUCCESS

1. **Prepare, prepare, prepare**
   Proper preparation prevents poor performance – so the saying goes. This is especially true when selling a business. The more effort spent preparing a company and its management for the sale process, the more attractive it becomes to buyers. It is never too early to start – a year to eighteen months before sale is recommended.

2. **Cast the net widely for buyers**
   Business owners are often surprised at the range of buyers that are interested in their company. Good buyers may be known to the owner, but thorough buyer research often uncovers a 'must have' buyer willing to pay much more.

3. **Competition is king**
   As in sport, competition brings out the best performances. For the best results, buyers need to know that if they are not prepared to pay top price for a company there are plenty of others who will.

4. **Avoid exclusivity**
   To avoid competition, some buyers want the race to themselves. This exclusivity ties the seller down and should be avoided like the plague.

5. **'Diamonds in the drawers'**
   Investment opportunities are often annotated with the warning 'Past performance is not a guide to future returns'. A buyer is most interested in the future and sellers should make every effort to highlight all their company's potential and opportunities. If you can't quantify them, how can you expect a buyer to do so?

6. **Know your own worth**
   Whilst it is helpful for sellers to know what their business is worth on a stand alone basis, the value that really counts is what the buyer is willing to pay. Thorough research finds those buyers willing to pay over the odds in pursuit of growth, and competition pushes them to pay up.

7. **Explore the potential and pitfalls of private equity**
   Private equity groups are the property developers of the business world; they buy businesses cheap, do them up and sell them on as quickly and profitably as possible. They would be a good option for an owner manager who is happy to stay on and reap the rewards a few years later.

8. **Be committed**
   Don't underestimate the length of the sale process, and the disruption caused and management time required. Four to six months of hard work by the senior management team is realistic. Once you start you need to finish. Testing the waters and then trying again later, will give the impression that no one was interested in buying your business.

9. **Don't lose value through a 'sloppy' contract**
   Some lawyers are commercially savvy. But most aren't. If you don't know the tricks of a sophisticated buyer – you need to find somebody who does.

10. **Seek expert advice**
    Professional advisors will generally increase the chances of an excellent result, and reduce the risks of a failure. The provision of advice on the previous nine points are all areas where good advisors can add value way beyond the cost of their fees.

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