



## Top 10 Tips of Selling Your Business

Most of us have experienced those highs and lows that come with selling a home. Conversely, most business sales are usually once-in-a-lifetime events. Typically, that means that many business owners are unprepared for what is involved in the sales process.

After all, you do not just stick a For Sale sign on the front lawn of your office building or plant. Selling a business is a long and complex proceeding, requiring many hours. There are many pitfalls - and that's why there is a growing trend to using business intermediaries to broker the deal.

Based on our 30 years of experience in helping people sell their businesses, here is a Top 10 list of tips to help make the experience a positive and successful one.

1. **Be reasonable about the value of your business.** Inflated expectations interfere with your business intermediary's ability to negotiate the best value for you.
2. **Carry on business as usual.** Don't become so obsessed with the transaction that you ignore day-to-day demands. Your eventual buyer will need to see a healthy business, not one suffering from neglect.
3. **Keep the sale process strictly confidential.** A breach of confidentiality surrounding the sale of a business can alter the transaction dramatically. Any potential purchaser looking at a business for prospective purchase must sign a confidentiality document.
4. **Prepare for the sale well in advance.** Be sure your records are detailed and complete for at least the past few years and do all pertinent legal or accounting housecleaning as well as a physical sprucing up of the plant or office.
5. **Anticipate information the buyer may request.** In order to obtain financing, the buyer will need appraisals on all assets, plus information to satisfy any environmental regulations that may apply.
6. **Achieve the highest price through buyer competition.** Since this can be tricky, you're advised to let your intermediary, as a third party, create a competitive situation with buyers to position you for the best transaction value.
7. **Be flexible.** Do not be the kind of seller who wants all cash at the closing, or who will not accept any contingent payments or an asset transaction.
8. **Negotiate, do not dominate.** You may be used to being your own boss, but the buyer may be used to having his way too. With your intermediary's help, decide in advance when to hold and when to fold.
9. **Keep time from dragging down the deal.** To keep the momentum up, work with your intermediary, your accountant, your lawyer and other experts who may be required to be sure that potential buyers stay on a time schedule and that offers move in a timely fashion.
10. **Be willing to stay involved.** Even if the process has been exhausting, realize that the buyer may want you to stay within arm's reach for a while. Consult with your intermediary to determine how you can best achieve a smooth transition from owner to past owner.

Above all, remember that planning ahead is key. Too many business owners fail to plan for the day when they will want to sell. Then something happens - most often a health problem - and they are forced to sell quickly. Rushing to sell can result in a failure to recoup the true value of the business. The best time to sell is when you don't have to!

Chicagoland Sunbelt is a Business Brokerage firm that focuses solely on helping people buy and sell businesses. We are also a proud member partner of Sunbelt Midwest, which has offices in Minnesota, Wisconsin and Illinois.

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