"I wish I had read this book before I sold my business. Outsanding."

Dawn Evans

THE HIGHEST PRICE

STRATEGIES TO SELL YOUR BUSINESS FOR THE HIGHEST PRICE

Jamal Khan

About The Author

Jamal Khan, sitting with Sir Richard Branson at his Necker Island, is a serial entrepreneur. He has started, acquired and grown multiple businesses.

Jamal is the Managing Director of Churchill Mergers Group and an industry expert in Mergers and Acquisitions. He passionately gets involved in M&A transactions, helping his clients achieve maximum value.

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Preface

So you are thinking about selling your business in the next few years. You haven't put together a concrete exit strategy yet. You don't know where to start, what to do, what will it be like, who will buy, why will they buy, how much will they buy it for, what will happen to your staff, your brand, your goodwill, your customers?

In most cases, your business is your baby that you created from scratch; you spent years building and nurturing the business. You have every emotional attachment to your business. For whatever reason, be it retirement, health, family, traveling, or other business ventures, it is now time to sell. You finally plan to walk away from the business that you spent most of your life building.

You will naturally want to achieve the highest possible value for your business, but what is the starting point? Will it be 2x, 3x, 4x, or 7x or even more of your profits? How is your business valued?

This book is designed to give you a guideline on what a buyer will be looking for when considering buying your business. It will guide you on the metrics that can help increase your business' value if implemented correctly. If you plan correctly and allow enough time, you can significantly increase the value of your business. You will also make your business more attractive to buyers as it will meet most of the points on their requirements checklist.

At the end of this book, if you feel you need additional support and one-on-one mentoring to help increase the value of your business and set an optimal exit strategy, you will have the opportunity to join our mastermind program, which allows you to get ongoing advice and support from a business growth specialist.

Good luck.

Introduction

Let's look at the facts.

- Small businesses employ at least fifty percent of the workforce in the United States at any given time.
- 53% percent of small businesses are based on the homes of their owners.
- Three percent are franchises of larger brands. (*Think McDonalds*!)
- Small businesses account for three fifths of the employment and around half of turnover in the UK private sector.

While franchises are a great idea, they're expensive to start out and offer very little in terms of escape routes, should the franchise not work out. The name and what a franchise is selling may be well known, but that doesn't always promise a customer base.

According to the SBA, Small Business Administration, there are 30.7 million small businesses in the United States as of 2019. The competition for any small business to succeed is ferocious, but with those millions in existence, it's clear that they do succeed.

According to the FSB in the United Kingdom, in 2020 there were 5.94 million small businesses (with 0 to 49 employees), making up for a total 99.3% of the total business in the country.

If you are going to be working in the business yourself, or even more, putting your name on the paperwork, it's important that you buy a business that you truly care about.

If, however, this business opportunity is purely an investment for you, then certainly the best business deal financially would make sense. Some people who open new businesses work 14, 16, or even more hours per day until the business really gets off the ground. This would be almost impossible to do if you didn't like what you were doing.

Home business opportunities are as far and wide as your imagination. You can start your own business or buy an existing one. You could have an online business or a more conventional store or office. If you select a business opportunity that will have you doing something that you love, the money will likely follow.

It's not difficult to find a business for sale. There are listings all over the internet, as well as in almost every newspaper in the country. What matters, obviously, is finding the right business - one that will meet all of your needs, not just your financial ones. How much time do you have to devote to this business? Will this be your only business or one of many? Will you run it yourself, or will you hire people to do that for you?

You can do, or you can hire others to do some sophisticated market research to ensure that your product or service will sell in certain areas. Of course, if it's an online business opportunity, you can do plenty of your own research quite easily. You can look at what other websites are selling, whether it is a product or a service, and to a degree, you can see how popular they are.

If you need to get a loan for your business opportunity, you have several options. The SBA can direct you to several loan options, although they don't lend money themselves. The SBA is a great place to start anyway, simply because they do have so many resources. They have a lot of statistical information that you might find helpful in your market research, and they have several free publications to help you along in your small business journey.

Probably the most important thing you can do before buying a small business is your homework. Investigate more than one business before settling on a specific business opportunity, and above all, make sure it is something that you enjoy!

But wait!

What if you're looking to sell your own business? To move on to greener pastures? Then you're still in the right place because you've just taken the first steps to understand what a potential buyer is up against and looking for.

(01): Is it Time to Sell?

No, selling isn't jumping ship.

Small business owners and retailers make drastic mistakes when they sell their business, losing thousands of dollars with every sale. That's millions, if not billions, a year. One of the biggest mistakes an entrepreneur makes when selling his business is that he or she overvalues their business and loses a sale or undervalues their business and finds themselves at the short end of the stick.

It can be inviting a torpedo into the room.

One of the worst but most important things is to recognize the signs that it is time to sell your business and knowing how to behave before you sell it.

The Big Idea: Your company's value is correlated with the market it operates in, so don't sell when markets are in a downturn.

Before it is time to sell, it is essential that sellers start preparing in the now and take the time to resolve potential underlying business problems. Even if you can't sell your business today or even in a year, it's best to start courting your issues, problem spots, and a business broker early to allow for a timely exit from your business.

If you want to sell your business next year, you will want a confidential and accurate business valuation showing what the market will pay for the company in its current form. If your sales documents are ready at a time when markets are at their peak, there is a good chance that you can sell your companies at the highest possible price and get it done quickly. Be prepared!

If you don't have an answer, now is not the best time to sell your business, but if you have a reliable source of income, it's a good time. When you hear that other entrepreneurs are selling for multiples, you start to expect the same when your online business is for sale. Focusing on increasing your sales in the months and even years before the sale of the company will make it more attractive to buyers, but you're going to have to be of an ironclad will to keep in it that long. If you are thinking of selling your business for seven, eight, or even nine-figure sums in a few years, you have probably succeeded.

Ultimately, you are the only person who can decide whether now is the right time to sell your business or not. If you still love your job and feel fulfilled every day, there is no reason to say goodbye. However, if you get to a point where you're just tired and looking forward to the promise that retirement brings, then it's probably the best time for you to come to terms with that decision. Sell the business not because you "still love what you've done," but because you don't.

(02): Before the Exit

As you prepare to sell your successful business, you might be tempted to make any changes. What stage is your business at when you are preparing to sell, and what stage does it have to be before you sell it?

In this process, you decide whether your business is ready to put itself up for sale and what improvements need to be made to attract potential buyers – not anyone else. That's a blessing and a curse, but let's face it, that freedom is what attracted you to start the business anyway!

In the Near Future

If you want to sell within the next 2-3 years, you may want to get an estimate of the value of your businesses to determine what your business is likely to bring to the open market. Again, it pays to be prepared! Grab your parachute before you leap!

In the Now

To get a good sense of value, test the market by listing your online business for sale. It won't cost you much, and in fact, could lead to some generated interest ahead of time!

Step One: Looking Inward

If you haven't started yet, start looking at your business through the eyes of a potential buyer. Why, in their shoes, would you buy your business? It is time, to be honest with yourself – is the business worth selling?

What's the Long-Term Health of Your Business?

Know that a sale also takes a lot of time. Just as in buying a home, the last 30 days should be spent preparing the deal and documentation. You'll need to keep the business successfully running during this time. If your business is already or seems to be in the starting stages of circling the drain, it would be best to reconsider the sale, as it could fall through at the last minute with the closing or the business, or even worse, a lawsuit on misrepresentation of your business during the sales process.

The Big Idea: Are you sure that your business is healthy enough to sell?

Are Your Staff Prepared?

To plan for a lower seasonal demand, it is important to find the right people to support your company at the right time. Your specific job will vary depending on your needs, but you need to identify what to identify before the slow season begins. Assign tasks to complete improvements by the time you intend to start marketing, business sales, etc – you know this, but, what happens when it comes down to prepping everyone for the company to be sold?

It is vital to properly prepare your top staff for the sale and they will build a close relationship with the new owner if they decide to stay. If you have employees or even business partners, they need to be kept in mind because they are crucial to the operation of your business.

To make your business saleable, you don't just need to reduce the hours of attention required to shorten the time needed for your business to succeed. A business sale also takes a lot of time, and selling a business will take time, which will likely distract your attention from the day-to-day business of the business. Once the company is sold, you need to find the smartest way to process the profits, but until then, one of your top jobs is hanging onto the knowledgeable employees running the business.

Selling a business may be your top priority at this time, but don't lose focus on your business obligations and maintaining relationships with your employees. Remember them, without them to help run the ship, you'll quickly begin to sink.

The more your employees know about the business, the easier it is for them to communicate the business' mission to potential buyers and make decisions that reflect the company's values. Remember, they can be salesmen just as well as you are.

Many employees are involved in the transition process and help the buyer with due diligence, so you want to prepare your team members for what is coming. Even if you sell only part of your business and continue to operate another part, you want your employees to have access to information about the sale that directly affects them.

Before you announce your plan to sell your business, it is important to consider all your employees' questions and prepare an appropriate response. Consider how employees will react to the sale of your company, while also respecting confidentiality.

Are you Ready?

One of the first things to consider when considering selling your business is whether you are prepared to move on. The cost of adapting to changes in the business can help you decide whether or not you are ready for a move. Is prepping the sale going to be more than it is worth?

Are you yourself ready to move on? Is this sale going to be your nest egg for retirement, or are you only looking to move on? Are you ready to start from scratch over again?

The Big Idea: Are you ready, and if so, what will it cost to sell?

If you want to sell later rather than sooner, you want to understand what makes your business worth the price tag and how you have designed it to be more saleable. Understanding what motivates buyers and having a base idea gives you a head start on what most entrepreneurs want if they are willing to sell their business, even if you are not ready for it yet.

If you think you know you are really ready to sell:

- When was the exact moment you were ready?
- Do you think the business is sellable?
- Do you have any of the groundwork laid out?

You're going to need to study up or engage a business broker or commercial lawyer to understand how the company sales process will go, how to prepare for sale and list it for sale, all while maintaining confidentiality. When you are thinking of putting your business up for sale or, alternatively, buying one, it is important that you talk to one or both of them. No matter where you were before you decided to sell your business by talking to them, talking to a broker or brokers will be worth your investment of time.

Ultimately, the deal is only as good as much as the buyers who are willing to pay for it, and the best brokers are those who figure out what they will pay. It's all about the rubber meeting the road.

The decision to start, then sell your own business may seem like a daunting prospect, but talk to any entrepreneur or small business owner, and you will quickly learn that starting a business requires a lot of work, but selling it requires even more. You talked yourself into creating your own business; now it's time to sell it and enjoy the fruits of your labors!

Selling a business can be a simple process with a broker because, provided you hire the right one, they will guide you through all the stages, but you may not even need that much help, depending on the size of your business.

If you are selling a very small business, have a lawyer prepare the sale and purchase contract – it could be that simple.

If you're still scratching your head, the SBA gives you access to a list of lawyers and information on the legal requirements of your company's sale by state. For buyers looking for a business opportunity, the Small Business Administration is an excellent source, including a search option for small businesses for sale in the United States or equivalent country. To sweeten the pot, they also have financing options for those who are looking for a business opportunity to consider.

Ask yourself two rather easy questions:

- **Have you been in business for at least a year?**

- **Have you seen some profit through the doors?**

If the answer was a firm "yes" to both questions, your business is sellable. Here's the list of action items:

1. Give your company a firm look over. Is it in the state that it can be sold?
2. Are you in to sell the whole or only part of the business?
3. You'll need to decide what the base, minimum price you'd consider to sell.
4. Is the deal to be cash on the table? Remember, you'll also have finance offers to consider, much like when selling and buying a home. Would you allow the seller to make arrangements to pay over time in installments? Should it be this plan, how much equity would the buyer have during the process?
5. Will you require a promissory note for the beginning of negotiations?
6. Will you be working with a broker, investment bank or handling it all on your own with just legal counsel?
7. You'll need to prepare your "book of business" consisting of financial files and other records of note.
8. Craft your sales presentation and get all responsible parties involved. Practice, practice, practice!
9. Before any first meetings, settle on a few privacy measures. Non-disclosure agreements? No initial tour?
10. Put your marketing kit together. Where are you going to announce the sale? Get to posting!
11. As offers come in, weigh on and decide on them.
12. Give buyers some patience as they do their research and make their decision, but don't let it go on too long; it could sour the sale.
13. After the sale is completed, what are you going to do? Be a consultant for the business, go on vacation, immediately start a new business? Remember, depending on your sales terms; you'll be free!

(04): Understanding Business Valuation

The main question when buying or selling a company is its "valuation" or how much is it worth?

How do you arrive at the correct value? Well, the answer is, it all depends. There is an old saying "A business is worth as much as someone is prepared to pay for it".

Investors want to consider if they are getting a good value for the business they are buying. Will it bring profits to them in the future? How long will it take for them to recover their investment? Investors will want to pay as little as possible.

Sellers on the other hand will naturally want to achieve the highest possible price for the business. In most cases, they have built the business from scratch and it is their baby. It means a lot to them and they value it more than anyone else.

It is important that the sellers are aware of the factors any investor will look at when buying their business and be prepared for these in advance.

The challenge is to get the right balance between the buyers' and sellers' expectations and to complete the transaction.

Now we come back to the same question, how to get the right valuation.

There are several methods that can be used when valuing a business:

Asset Based Valuation

In Asset Based Valuations, we look at the company's assets. One can try a bottom-up approach for example when buying a property. This includes buying land and build costs. Look at values of other properties in the area. The buyer could look at the future income value from rentals or the capital increase. A buyer will need to look at the time it will take them to build a similar business from scratch to a level where it is operating smoothly and generating an acceptable level of profits. It could be for instance much cheaper to set up a business from scratch, but that could take say ten years to become stable and hence profitable. Will the buyers be prepared to wait for that long? Instead they would want to pay a premium and buy an established business and start the benefits immediately. An alternate approach would be to get a fair market valuation of the target company's assets to arrive at a valuation.

Multiple of the EBITDA

The second method is to look at the Price to Earnings Ratio or a Multiple of the EBITDA (earnings before interest and tax – explained later in this book). This is essentially the relationship of the price and the company's earnings for a year. This could be for example, a multiple of ten times the EBITDA. If you have been running a business for a number of years, you should know what your company's EBITDA is or you can speak to your accountant and find out. The multiple used can vary from sector to sector and will be very much dependent on the future profitability and income. You will need to consider factors such as the scope for growing the business and enhancing the EBITDA. Typically a sale price can be agreed as a multiple of the EBITDA. This could range from two to seven times your business EBITDA or even more depending on the sector you are in.

The purpose of this book is to help you increase the multiple of EBITDA any rational buyer would be looking to pay.

Discounted Cash Flow

This method looks at the projected cash flows in the future from the business. We could look at say 5-8 years in the future and then discount those cashflows to get an idea of what they are worth today. This method is generally quite difficult as you are looking into the future and will have to rely on a number of assumptions. We start by looking at the cashflow for the last 3-5 years and then check the factors that could affect the cashflow such as change in the market, the contracts, legislation and then derive a future cashflow. We will also be looking at the future sale value of the business if we were to sell it. So if a buyer were to buy a business for x and some years later sell it for 5x, then this business will have a much higher value to a buyer.

Turnover Based Valuation

This is also an important method as some buyers may only be interested in a business's ability to generate income and they will value that business as a multiple of its annual turnover. This where the buyer can buy recurring fees or contracts or stream of income and can manage their costs.

Each of the four options we have discussed will come to a different valuation. Ultimately, an informed buyer will look at almost all four of these methods and then arrive at some kind of figure that makes most sense to them. Again, any investor will be very keen on first checking how long it will take for them to recover their investment and then how much profits will they generate in the future years from this business.

You as the seller needs to know what valuation models are generally used in your sector when buying or selling a business. Spend some time researching online.

More importantly, you need to first understand how much your business is worth today and how much you would like to sell it for in the next 2-5 years. If for example your business is currently worth 3x and you would like to sell it for 6x, it is not going to happen overnight. You will need to have a strategy and guide on what to do to get to 6x.

This book will give you guidelines on the key areas you need to zoom in on and work to increase the value of your business and get it ready for sale.

(04): Crafting Your Sales Marketing

As you know, your "about us" page can highlight why you started your business and tell the story of how it came about. In creating it, you likely considered statistics you can use to make a point about your company's mission and quantify the impact of the company by including the number of customers, revenue, sales, profits, customer satisfaction, etc.

Is that cartoon lightbulb going off above your head now?

A company overview is easier to write because it is simply a list of details about your company that you can write about. They are written as a status update about the company and approached as writing as if you were writing a chapter in your internal business plan.

A strong message distinguishes your business from your competitors by being deal-centric. In this sense, you want to incorporate innovations, services, and features that make the business attractive to your buyers and set yourself apart from the competition – who could be willing to sell as well!

When you write this content, you do not want to say the same things that appear on your homepage. Long, detailed historical summaries will bore your readers, so you should write your page with bullet points and in resume style. Stories should include descriptive and emotional and allow people to find the meaning and context of your business, which is more efficient than generic pages. That's why stories stick with people, not just the mission statement.

Use this messaging to guide potential buyers, increasing their connection to your company.

Your Message Platforms Matter

Social Media

Take a look at your company's social media profiles. Do the images shared to promote the image of a flourishing balance and growth? New products being released every year? Plenty of comments and likes? Photos of staff hard at work?

When a buyer's interest is peaked, they will naturally search out your company's social media profiles to do some digging and research. Be sure they are pleasantly surprised to see a bustling business.

Email Marketing

Looking to ensure that information is delivered to your target's mailbox? There are buyers out there that are willing to listen to an important, but even more important, in this case, interesting, story. For this case, you aren't worried about selling a product, but in fact, the whole package – tell why your business is interesting, why it is worth buying.

On Your Blog

Your blog section isn't just for SEO boosting, as it is commonly thought of as. Remember, a potential buyer will likely be scouring for every ounce of information that they can find. What a great space to provide the stories of your business and customers, statistics, details of new products, and offerings!

Your Website's "About Us" Page

The about-us page of your website is a great place to hook your site visitors with your brand story. Nevertheless, most business' about – us pages are just a turn-off because they narrate everything the company does without much else. This + this = us.

While you're hard at work, there's something to remember.

Remember The "5C's Of Stories"

You don't have to be a novelist to spin a great story. Really, as long as you remember five essential elements, called the "5 C's of Storytelling," you can captivate an audience, be it one person or twenty.

The "5 C's" are:

- **Is it interesting?**
  The most important thing is that your story doesn't put people to sleep or disappoint. Does your story have punch?
- **Got issues?**
  Of course, any good story has a fundamental issue embedded inside that needs to be solved. If you're telling a story about your business, there should be plenty of these. If you're having a hard time finding a problem to talk about, it's time to rethink your story.
- **Believable characters?**
  Do your characters in your story seem realistic?
- **Have you got a dialogue?**
  Dialogue is the spice of life. Do the characters in your story sound like actual human beings or human-flavored cardboard cutouts?
- **Have you got a conflict?**
  Of course, conflict helps to keep the reader engaged in your story – don't want it to be boring, do you? There is a reason that action movies are the most popular out of any other out there!

You understand your audience, your buyer's needs. Following this, you know how to craft your story to keep their attention. Tantalize their bottom line. Show them how purchasing your business will solve their problems, beef up their bank account, or make their employees happy. Just like when sharing a story with friends, craft your story with the details your buyer will want to hear.

Having a clear plan, adopting dynamic and engaging body language, and offering the appropriate conflict or challenge often translates into a winning story.

What's Your Sales Story?

Before the day comes, be sure that all involved parties have run through their part of the story and are ready to present. Having the interested buyers come in and speak with everyone is like the ultimate group project.

- Present a unified story of growth.
- Know that the potential buyer will bring up their concerns. Be ready to shield them away, but answer the questions honestly and with appropriate answers that give the interested enough information to make decisions.

- Let the buyer know if you and your management are able to stick around after the sale is completed. After all, they're only purchasing your business; they haven't been there during the years it has taken to build it – they'll need a little hand-holding if they can get it!
- Your paperwork will cover why the business has been successful up to now – it is up to you to cover the other points of the business – why it is unique, why the customers love it, how it has grown in ways outside of hard financial numbers. Think of it like sharing your secret recipe for the business.

The Big Idea: Be prepared to talk about the reasons why the business is going to grow and make tons of money. Tell them you're a fool for leaving! There are no limits as to how to approach your brand's story. Use words, emotions, and examples to your pure advantage!

Other Considerations

Alright, when you started your business, you determined your mission, vision, audience, and separated yourself from your competitors, you established your brand. Part of the hard work is over!

Let's face it, to create a memorable brand; there are seemingly unlimited things to do. It isn't all about flashy classic marketing campaigns, though; there are other factors to consider in wowing buyers, and even to consider in your sales price.

Establish Your Presence In Your Buyer's Mind

How do you embrace yourself into the mind of your buyer? That's one of the bare basics of business. By now, to have a business to sell, you have a good idea of who your audience is supposed to be.

There are a few things that you know about your customer base. You know their income, their age, and where they live. This information is relevant in creating your character profiles to estimate customer trends, sure, but it also tells you what type of buyer you'll need to look for.

Just as customers do, your buyer is coming to your company because they need you, not because they're bored. By the time they leave your media, be it your site, a video, coverage in a newspaper or magazine – they should know what you do from A-Z and know why you're important.

If someone had the chance to buy the Coca-Cola company, they would. It's an international brand, and nobody doubts what they do. Name someone who you know who doesn't know what Coke is. Exactly. It's all about visibility and trust.

Are you separable from the business?

Buyers will often want to thoroughly check if the business and owners can be separated and if yes, how easy is it to achieve. This means that if you own a business you are looking to sell and you are that business, it will not be easy. This often happens when the owners are the main key for everything that happens in the business e.g. the owner brings all new customers, the customers only speak with the owner, the owner agrees the fees / sales and payment terms, the owner meets the customers, everything is supervised and managed by the owner. Such owners are generally known as "control freaks" where they do not trust anyone can do a job as good as them.

An intelligent buyer will want to make sure the business will carry on smoothly after the owner leaves. Even if there is a transition period where the owner stays with the business for a period of time, the buyers will need assurance that they business will not collapse after they owners says goodbye.

This is why it is important that when a business initially thinks about an exit strategy to sell in the next 2-4 years, they can separate themselves from the business. They should bring in senior staff who can run and manage the business in their absence. The senior staff should be able to deal with new or key customers, negotiate contracts, agree payment terms, agree on deliverables and timeline and delegate to the appropriate team members.

The acid test to check if the owners are separate from the business is for the owner to go away (preferably on a holiday) from the business for say one, two or three weeks (or more) and see how the key staff managed the business in their absence, how many times did the owners have to be contacted during their time away to give instructions on what to do.

Endorsements

Everyone listens when celebrities – be they local or megastars, speak. If you've got or had lucrative endorsements, they will be important to mention in the sales process.

However, you cannot wait for an endorsement to come to you. Your public relations manager may need to contact some of these figures to see if they are interested in endorsing a product. One thing to keep in mind is that endorsements may cost quite a bit of money if you are trying to get a public figure to back your product.

There are many ways to get endorsements. You may attend events where a public figure is going to be. This includes getting backstage at concerts or shows where you can have access to the person. You also can call their managers and talk to them about endorsing a product.

One thing to keep in mind about endorsements is that you need to find a figure that matches the audience also. If your target audience is teenagers, then you want to find an endorsement that the teenagers know and trust. Someone that the teenagers think is hip and would want to buy the product when they find out the person uses it too. The last thing you would want to do is get an endorsement on your product by an older individual who is well known and respected by an older audience that the teenager audience has never heard of. This would be a waste of money and time on your part.

Hot Prospects

As a marketer, when branding your business or product, you need to be on the lookout for hot prospects and opportunities at all times. These need to be taken advantage of when you can. It is important to use every opportunity to get your product exposure in the right methods. These methods may be trade shows or other public events.

When you attend trade shows and other events, the goal is to look and be professional. If you just have a table set up with a few products on it, then customers may not take you seriously. Attending events like this require professional flyers, banners, signs, and other things to get the attention of attendees. It is important to look prepared and professional.

The more events you attend, the more your name gets out there. When you create banners and signs, you may find a situation where someone would like to display your banner or sign. Do not charge someone for this. This is a benefit for you because it is free advertising, minus the cost of the banner. It will give you exposure and help you with the branding of your business and product.

Hot prospects need to reach out to the targeted audience for your product or service. Do not attend events that your audience is not going to be at. If there is no way that an elderly crowd will be interested in what you are offering, then you are only wasting your time to make a big presentation to them at a trade show. Know who the audience is going to be at the public prospects for gaining exposure.

Using Public Relations Pros to Your Advantage

Media attention needs to be used to your advantage. There are many ways to do this. One thing to keep in mind is that your product and your brand do not have to be fully established yet to gain the attention of the media. What is important is that you use the media to help you get established.

The media can be used in many ways. Press releases are one of the best things you can do to get the exposure you are looking for and help you create a place in the industry of the business.

A press release is usually used for announcing grand openings for new businesses, new product launches, big sales, and events, or anything else new that is happening within a company.

The elements of a press release should include the event itself, why people will benefit from going to it, the location, date, and time of the event. If you don't tell people where to go, it will do you no good. You should also provide your company contact information in case the media wants to call you to get an interview or even write a story on the company. Customers may have questions. Without contact information, it could cost you a lot of business. Also, always include your website address in a press release so people can go to your site and learn more about who you are.

Press releases are sent out to as many media outlets as you can send them to for the targeted audiences you are trying to reach out to. These media outlets include news stations, newspapers, magazines, radio stations, and more. When a media outlet receives a press release, they may do a few things. They may immediately respond and use it for the next big story that hit the press and tell the public all about it. They may put it aside for when they are waiting for a slow period and then use it as a story, or they will do nothing at all.

Sending out press releases doesn't cost a business anything. It is cheap, and you do not need to worry about the cost. It never hurts to send out press releases even if the media is not interested. The point is that you have to try at least to use public relations to your benefit. It may be that one event or announcement you have about your business that is used by the press. That one small bit of exposure could go a long way for you.

Donations

Donations do you a lot of justice when it comes to establishing an identity around the local community and anywhere else. Many companies or non-profits offer plaques with your name on them, engravings on the wall, and other things when you donate money to them. This gives you exposure. When customers see your name as a company that made a donation, not only does it look good for you, but it gets the company name out there permanently. This part of the branding process is important because it helps the business build credibility and trust with the customers in the market.

Investments

Investments are very important also. When you invest in a company, it is important to be sure they are in the same industry as your product or service. Investing helps build a name for your company, give you more exposure, and more. When you invest in a company, one of the agreements you can make when lending your money is that they provide exposure or advertising for you. Investments are very beneficial and help with the branding process.

Give Free Information

So many companies upset customers because they want to charge money for everything. This leaves a customer walking away with a bad taste in their mouth about you and only causes you to look dishonest or greedy. There are things that you can give away for free when it comes to information. There is no way you can teach a customer everything you know in just a few minutes of talking to them or in a few pages that they can read.

Many people practice giving tips and advice through flyers and brochures. You may want to place a few useful tips on the back of your brochure. This will help build credibility and trust with customers that you are not greedy, and you are willing to help them achieve certain goals. It will also prove to them that you actually have the knowledge to perform certain tasks within your company. You don't have to reveal the secrets of the trade, but you can give out helpful information that is useful.

Giving useful information may include offering tips and advice when you are out on a service call in a home. If your company offers plumbing services and you are on a call that the customer has frozen pipes under their home, then you may recommend they leave the water dripping overnight. This type of advice is useful to the customer and will help them not end up in a situation with a burst pipe. Although continuously broken pipes may be a profit for you, it is only one customer.

You may think it will not benefit you to tell them how to avoid problems because then they won't need you. However, there are plenty of other reasons they can call you. Plus, you will be the person they will turn to any time they need something repaired. In addition, word of mouth goes a long way with customers, and the customer may attract plenty of business your way.

Adding Value to Your Business

When you are branding, it is important to add value to everything you do. Adding value means making yourself valuable to the customers and the community. This may include giving out free information through tips and tricks, statistics, and other useful bits.

Making yourself useful adds value to your business and to the customers. The customers need to believe that they need you, and this is a part of proving to them you are useful and the best person to turn to when they need something.

Getting Your Brand Out There

A long time ago, you designed a logo, a name, a tagline, and anything else. Now you need to practice other methods to get your name all over the place. This can be done with clothing, pens, cups, and other paraphernalia. You probably did that too!

Look in your tee shirt stash. You likely have a metric ton of branded clothes in there. You may have even created some of your own for your business! Remember, you can count that stock into your sales price.

One thing to keep in mind with printed materials as advertising techniques to spread the company name is that you want to create things that are useful for people. A pen with your company name is more useful than a koozie. Pens will never be thrown away because someone will use them until the ink runs out. They are very cheap to make and easy to distribute. You can give a package of pens to a business that you know spends a lot of time traveling around the world. Before you know it, your pens were left in meetings and other places, and now you have people checking out your site from other countries. It is as easy as that when you distribute items with your company name on them.

You have to get your name out there and create your popularity. You can do this by designing t-shirts and other useful things for the business. Try to give these things away for free so that you can have the best results with your branding. Also, make sure that the items created to look nice and represent your brand as you want to be portrayed. Match the scheme.

The most important thing about branding is that you need to reinforce the promises you make to the targeted audience constantly. A branding program can be reinforced by being consistent.

Consistency is the most important factor when you reinforce. It shows that you are serious about your brand and your product. It is important to be consistent to show credibility with the customers and the public eye. When a company is not consistent, it looks bad for a company as if they are disorganized or have problems.

Reinforcing your brand needs to be done on a regular basis. You should practice constant branding techniques that work for your company. Schedule them weekly or monthly if you have to. For example, try to send out at least two press releases a month to numerous media contacts. Let them know how you are doing and what is going on with the company. Make announcements about ways you better the community and people who use your products.

Reinforcement works for a business with the media also. When you are continuously in contact with the media, it will benefit you when something bad happens. Having the media on your side is very important. They will help you with damage control when a customer makes an accusation or if you need assistance with a bad situation.

Reinforcing your brand means that you back what you say you are going to do. You need to prove to the customers that what you say you will do is true, and continuously reinforcing this will brand the idea into their minds.

Got Intellectual Property?

Intellectual property rights (IP) are one of the most valuable assets in the business world, and even more valuable if your assets are valuable and your business is based on intellectual property. Intellectual property can be imbued with a variety of benefits, mainly the ability to reap profit from said property!

Whether your business is well established or emerging, identifying and protecting your intellectual property rights is critical to ensuring long-term success, and that is why it is so important to protect your intellectual property by keeping it safe.

Neglect of intellectual property protection for your companies can have serious consequences for them.

Patent and trademark attorneys can advise you when it makes sense for you to protect intellectual property rights and accompany you through the process of securing and protecting them, but in the beginning, you'll likely need to take the first steps on your own.

You may be in need of a copyright, trademark or patent.

Copyright?

Knowing how to copyright and mark your logo is an integral step in establishing a design or brand, and even more so if you're looking to protect it from vulturous competitors.

Let's start with this simple question: How much does it cost to copyright your logos when you're looking for registration fees?

Performing a proper search before applying for a copyright on your logo can save you money, and it's a good idea to do so.

The first step is to understand exactly what is protected by a trademark or copyright on your logo and what the search results will reveal. In order to obtain a copyright, the intellectual property of a logo must be protected in order to be considered for trademark registration. If the logo is considered a "copyrighted work of art" and is not used to identify the company, it is copyrighted, which can prevent an unauthorized copy. A logo is protected by copyright if it is registered either as a registered trademark logo or as part of the trademark a company.

If you decide that you need a copyright on your logo, you must register with the US Copyright Office, UK Copyright Service, or country equivalent. If you end up having to defend your legal rights because someone has knocked off your logo, you'd rather be safe than sorry, for sure.

Both copyright and trademark registration are required because they protect your name and logo from infringement. That's the big idea. If the logo is not officially protected by copyright, someone else can register or steal it for their own use – legally.

The registration is sufficient to take over the copyright for your logo, and as soon as the Copyright Office receives your registration, the official copyright will be sent by post. Once the copyright has been received by the Copyright Office, it will enter into force, so that you can use the logo at your own discretion or continue to use and publish it.

If you design your logo with the help of a professional logo designer, you do not own the rights to the finished logo design unless agreed ahead of time. Most freelancers will offer copyright transfer for an additional charge.

Remember that when you commission someone to create a logo design for you by hiring them to work on your work, and you don't negotiate that transfer, the designer owns the copyright to your brand. If you are the proud owner of the fully copyrighted logo and it is infringed or if someone copies it and uses it for any purpose, you are free to file a lawsuit in federal court against them – and that works the other way around.

Patents?

The Inventor Patent System (tm) was created to lawyers and inventors to write patent applications, but, is all that paperwork truly worth it?

Filing a patent application means preparing a formal application and asking the Patent Commissioner to grant you the patent. If your invention is not yet perfect or you are not ready to file a patent application for any other reason, you can file a provisional patent application to cover that small gap from working concept to completion. These are filed to give the applicant the opportunity to find out the particularities of the invention or discovery in order to protect them from patenting by someone else. What most people call patents are actually called utility models, and it can take up to a year before you actually file a patent application.

In other words, an inventor has one year to file a patent application with the CIPO before making his or her invention public.

Essentially, finding the right combination of information to fill out the patent application form can make a big difference to how well your invention or idea is protected from theft or copying.

Why Sell?

Selling your intellectual property can be a great way to generate revenue, but it's also an important decision to not be taken lightly – in time, it could be that sales gain more than ongoing profits from potential licensing. Business owners could benefit by licensing their intellectual property rights to their buyers rather than generating passive revenue, or it could be that selling outright is the best decision.

Make sure you have full legal rights to your intellectual property before you sell your business, including intellectual property rights. If it is determined that your intellectual property rights weren't transferred over in the sale, you could find yourself in a mess of trouble.

If you wish to grant the purchaser temporary rights to your intellectual property for a certain period of time, you can use a contract of assignment. This could give them time to develop their own version of said intellectual property, using it for as long as they'll need it, or some other form of compromise.

It is better to conclude a written contract that leaves no doubt about your ownership. If you choose to license out the property, you’re in the green, and if you choose to sell it, you’re in the green.

Protection, protection, protection.

(05): Gather Your Documents

Certain types of paperwork usually only appear in real estate sales but may appear in your process, depending on your state. The exact documents you need depend on the type of sale and state law.

The documents you need to prepare for the sale of your business include a financial statement that the buyer must complete. This is the document that describes who you are as a company, the frequently asked questions, and what you do to help your buyer make an offer. Potential buyers want to see that the company not only makes money but that they can also make money from it.

If you are really interested in selling your business, it is best to familiarize yourself with the relevant documents you'll need – and no worries, we've got the list below. Keep them available and organized, ready for the day the right party shows up.

Remember, your tax bill will be affected by how you legally set up your business and what assets and units you sell. Look at what your assets are and decide what you should do with their value before deciding to sell the business. If you're running a bakery, are you going to keep the big, expensive bread ovens? That'll affect things. There are many ways to value a company, but you must state your tax status, assets, liabilities, income, profits, losses, taxes, and taxes on assets; whichever method you choose, full transparency will be required.

Below is a list of documents that are normally included in the sale or purchase of a company, such as tax returns, tax returns, annual accounts, and other financial documents.

Must Haves

- Company Profile
- I.D.s of Owners/Directors
- List of Personal Assets and Liabilities for all Owners/Directors (*where applicable*)
- Certificate of business registration
- Historical Financial Statements (*up to 3 years*)
- Up to date management accounts
- Debtors age analysis (*where applicable*)
- Creditors age analysis (*where applicable*)
- Valid Tax Clearance Certificate
- Six months Bank Statements (*personal and business* where applicable)
- Short CV of members/directors
- Proof of residence/Sworn affidavit (*not older than three months where applicable*)
- Supporting Quotations (*with contact person and banking details of the supplier where applicable*)
- Personal income and expenditure schedule (*where applicable*)
- Personal income & expenditure schedule and assets & liabilities statement (*where applicable*)
- Proof of CICP/CIPRO returns
- Copies of current contracts
- Lease/Franchise Agreement (whichever is applicable)
- Business plan
- Cash flow projections

If you have a business broker who has qualified buyers to make sure they are serious about buying your business, and you are able to do so, you should prepare all the documents that the buyer will need for due diligence. It'll save yourself problems later.

Nice to Haves

Customer Surveys

Action Item: Another item that you may already be conducting – customer surveys. What is the opinion of your customers? Are they happy? Do they want changes? A list of positive survey responses could easily help to calm the nerves of a savvy buyer.

Collected Reviews

Action Item: You probably already regularly check your reviews on sites such as Google, Yelp, Amazon (*if you're selling a physical product*), and other such review sites. Now it is time to go back and get copies of those reviews, packaging them together as a "what our customers think of us" package to show potential buyers.

Copies of Ongoing Contracts

Action Item: Dig out any active contracts (and if you really want to impress, closed out ones too) to show and tell on how well they're going, their completion level, and how much each contract is bringing in.

Earnings Report

Action Item: The earnings report, separate from financial statements, clearly shows incoming payments as they can easily be compared against expenses.

Financial Statements

Action Item: Before you start preparing for the sale of your company, you need to gather all your financial records from the last 2-3 years. As you prepare to sell your business, do not underestimate the importance of documents that reflect the status of your business. Remember, this is a bill of health and not a death certificate.

Know Your KPIs

KPIs are a useful tool to measure and track progress in key areas of business performance. Measuring the right metrics is an essential, easy task for any successful business consultant, but for small and medium-sized enterprises (*SMEs*), choosing the right key indicator (*KPI*) for your SME may seem overwhelming.

K.I.s (*Key Indicators*) help you to clarify what the right KPI is for your company's goals and help you find ways to improve.

Let's look at the definitions of the key performance indicators and go through the different KPI meanings for each of the seven K-PI meanings that are relevant to small business owners.

Cash Flow Forecast

Are your company's sales and margins appropriate to their sizes?

Add the total cash your business has in savings to the projected cash value for the next four weeks, then subtract the projected cash out for the next four weeks.

How's the news?

Any smart buyer will want to see these numbers and see that they're on a positive trend.

Gross Profit Margin As A Percentage Of Sales

You can find a business' gross profit margin (GPM) by dividing gross profit by sales. Next, divide that value by your sales amount to find out how much of your GPM makes up your overall sales. Multiply that by 100 to express your gross profit margin as a percentage of sales.

This KPI allows the buyer to easily look and quantify how much money the business is keeping as profit, as compared to being lost to expenses. It truly is the bottom line. Obviously, as a business keeps more profit compared to expenses, the gross profit margin grows. A decrease would indicate that the business is losing more in expenses.

If you're in the selling mode, it is a good idea to attempt to reduce as many expenses down to zero as possible.

Funnel Drop-Off Rate

Part of the process of winning over customers is the business "funnel" – funneling purchases down the pipeline. It is important to know how many successfully make it through and where the clogs are. Are customers dropping out at the signing stage? Not clicking a buy button?

To find this number, first gather the number of visits for a step in the funnel, in this example, an email collection from a marketing campaign. Next, take away the number of visits that occurred during the first step in the funnel. Divide the value from the specific conversation step by the visits that took place during the first step to find the number of customers that you lost along the way.

Customer Retention Rate

An important consideration for the buyers is whether the business will sustain after they have acquired it. The buyers will want to know if you customers retention rate is high. If you have had repeat customers for many years and the order size is growing, this is excellent indicator that your business is strong and sustainable. If on the other side, you are losing customers or there is very little repeat business, this could be a warning sign for the buyer. The buyer will also want to carry out due diligence on how many of your large customers come for repeat business. Before you start considering selling, you should take stock of your customer base and divide them into small, medium, large. Then further divide this into happy / repeat customers and those that are not so happy or unlikely to become your repeat customers. You will need to set up a strategy on how to turn the customers in the later segment into happy and repeat customers.

You can start by offering a more dedicated service and ensure their problems are solved quicker. You can renegotiate business terms with them. Have regular meetings with them and check if they are happy.

Many business owners do not give enough consideration to customer retention and repeat business when going to the market to sell their business. Eventually reality hits them when the buyer asks for a list of customers, repeat customers, how many have not returned in the last 2-3 years.

There will be some buyers that will want some kind of certainty of repeat customers when buying your business. This could be in the form that they will set a claw back period after the sale has completed. The claw back period is a matter of negotiation and could go as far as 2-3 years or even more. The buyer is looking for assurance that the moment they buy, the customers will not start leaving.

Claw back period is also a factor when negotiating the sale price. The longer the claw back period, the higher the price of the business or vice versa.

Revenue Growth Rate

Just how much is the business growing each year? This K.P. shows how much the company's revenues have grown, or fallen, each year.

You can easily calculate this by hand. First, gather the revenue for the year. Next, divide the current income by total revenue from the last year – this number will be the rate of growth. With any luck, it will be a positive trend!

Inventory Turnover

A business' inventory turnover measures the number of goods the company has sold in a period of time. OF course, a business with low inventory turnover won't last long, but it is critical to take a look and see how long items are sitting in the warehouse – just how much is business booming?

Accounts Payable Turnover

A company can't afford to pay out its suppliers and its outgoing bills? Don't walk; run in the other direction!

To find this number, it only takes a simple equation—the cost of supplier purchases and bills, divided by average accounts payable.

How does the number look? If it's acceptable, then it is fine to proceed with the sale. If not, it is time for the business owner to make the moves necessary to cut back on said expenses.

Relative Market Share

Just how much of the market for your niche have you cornered? Of course, you'd love to see the number at 100%, but that's nearly impossible.

Market share refers to the percentage of a given market that a company controls in relation to its competitors. Market share is the percentage of the total market a company serves, measured in terms of sales, units, or volumes.

On the other hand, relative market share is the percentage of the market that a company does not control and a measure of its share of a market. Measured by the market share of the largest competitors of a brand, the relative value of the company relative to its competitors in terms of sales, volume, or quantity can be presented. This measure is sometimes referred to as "relative market shares" and is the share of the brand with the largest market share in relation to the smallest competitor. A higher market share means higher cash return, while a lower market share means lower cash return.

The first way to calculate this is to divide the absolute market share by the number of markets that the company does not control. To determine the relative market shares, we divide the shares by 5 percent of the total sales of each competitor in the market.

The estimation of market share is made by assessing the size of the market and the expression of the company's revenues in relation to the total. It can also be useful to find out what sales figure the companies' biggest competitors are selling and then use this information to calculate relative market shares. The relative market shares are calculated by dividing brand sales by the sales of each of the major competitors and by compensating for the difference between the sales of each company and its main competitor on this market.

Depreciation of Assets on Hand

From your company's perspective, the estimated period of time an asset is productive is called its useful life. The estimated "useful life" or how long the asset can be used is determined by the number of years in which the assets are written off.

Depreciation costs can be calculated in various ways, but the method you choose should be consistent with your expected business use and estimated asset life. The determination of monthly cumulative depreciation on an asset depends on the type of asset (as defined by the IRS) and the accounting method used.

To get a better picture of a company's profitability, you need to look at depreciation, because if an asset wears out and loses value, it needs to be replaced. Depreciation is important for valuing a company because it could mean that the company loses value. Of course, as profit will then have to be spent on replacing said exhausted equipment.

To find out how long you can write off your assets, check your company's financial statements and the various depreciation methods it uses in your financial statements. Since each company uses a different method of depreciation, you should determine the useful life of the assets based on your company's current financial situation and how long you expect to use these assets in business.

(06): Understanding Your Competition

Many businesses fail because they do not consider their competition in regular business. It would be best if you did proper research about your competitors, learn what makes you different, why the customers should choose you, and much more. We know this, but it makes a difference in the sale of a business as well!

Researching the Competition

You likely did a ton of research before you started your business on how competitors out there were already beating you at the game or how they could try in the future, as every business must know who their primary competitors are. You're already worth being congratulated for making it this far!

SEO Rankings

Use related keywords to narrow your definition of competitors, so you can more easily analyze which companies really compete with your own. SEO competition analysis introduces keywords that your competitors do not rank, so you can use them for your own use. There are multiple pieces of affordable software out there than can accommodate this.

SEO is an acronym that stands for search engine optimization, the process of optimizing your website to get organic (unpaid) traffic to search engine results pages. SEO works better when your websites receive more traffic from search browsers, and the higher their ranking, the better they perform in search results.

High keyword rankings can be achieved through paid rankings, the use of keyword research tools or AdWords, and improving your keyword rankings by adding more of them or using them wisely. A page that is better in keyword ranking will rank closer to the top of page one in the search engine.

If you want to track whether a particular keyword is relevant to your strategy, how specific your URL is to a particular keyword, and how your ranking compares to competitors, you need a tool to complement Google Analytics. By monitoring keyword ranking data from your own website, you can learn more about how digital rivals rank for the same keywords you target. These are relatively cheap to sign up for.

These applications give you access to Google Analytics keyword ranking data as well as search engine rankings for your own website. You can check the results of your keyword ranking to see which keywords your website places in which position. As you delve deeper into the data of the keyword rankings, you can scroll down to browse your leaderboard and see your current rankings by adding keywords, including the URL of the leaderboard and how your leaderboards compare with your competitors.

This feature gives you the latest rankings of your website and gives you positive feedback on what you are doing right by highlighting sections where you can make improvements. It also has a user experience feature that you will look at in this article, and most give you an up-to-date ranking of the site as well as positive feedback on whether you're doing it right by highlighting ranking factors such as keyword search ranking, page views and page shares.

Ultimately, improving your keyword rankings and creating a source that people share, comment on and source their site from is a great way to improve your search engine rankings for your own site and for other sites in your industry.

SEO may seem like it's being written all the time for search engines, but if you take content marketing and SEO seriously, you'll start to make things happen. You can get the results you want by becoming aware of the new websites that search for popular keywords and search for user experiences when people land on your websites, and this will help you lay the foundation for good search engine rankings.

You can also create linked-worthy content based on the ranking in the top search results to generate incoming links and improve your keyword rankings. As mentioned earlier, your blog section isn’t only for holding onto junk!

Now that you know how your site is doing, let's take a look at how you can improve your SEO and rank higher in search results. You will learn what search engine rankings are, why they are important and how you can monitor them. SEO efforts work means your keyword ranking is rising and your organic traffic is increasing.

Knowing what keyword ranking and SEO mean helps companies do keyword research and curate content for their websites to achieve better results - high-quality keywords that bring more page traffic and revenue to their business. Whether you're running your own website, a company you work for or in SEO, you need to know your keyword rankings to get the attention of the searchers who want to land on your site. If your site is too small to be navigated by users and too large to be searched by search engines, this will have a negative impact on your keyword ranking. Instead of bothering to track keyword rankings, you should focus on finding the right keywords for your websites.

Check Out Social Media

How many followers do their accounts have? Are they active? What promotions are they running?

Considered Selling Your Business to the Competition?

One of the easiest and most effective ways to sell your business is to sell it to a competitor. That's just the truth.

A direct competitor can often be the most natural buyer of your business, and selling to a competitor is often the best choice. If your primary goal when selling a business is to maximize value, you should put your competitors on your list of potential buyers. They have a vested interest in your sale!

Don't let emotion get in the way: if you want to sell your business, your competitors can be your best friend, even if you don't consider them as such. If you sell a company to a competitor and already have experience in managing the same industry, you can guarantee that the company is in capable hands and will be sold.

1. Before you approach a competitor to sell your business, make sure you have specific information or insight about the business you are able to share with them.

The challenge is negotiating the sale of your business to a competitor is that if the deal fails, you may end up regretting the secrets you shared during the process. If you recognize your competitor's desire and approach him to sell the company, and he makes a serious offer to buy, protecting the company is central to the negotiations.

2. If you sell to your rivals, you risk the possibility that they are not serious about buying or that they are merely making an offer to look at it. If you are also trying to sell your business on your own or use the expertise of a business broker, proceed cautiously, make a good faith deposit and have the prospective buyer sign an NDA.

When you sell a business, you speed up the usual timeframe by making a list of your competitors and determining what each of them can do and who could benefit from buying the business.

3. If your competitors are really interested in buying your business, they can shorten their due diligence window because they already know a lot about your business while you are tracking the information down.

In summary, selling your business to a competitor is a potentially great move, but there are many things you need to be ready for. It is also an opportunity to be explored with extreme caution. Selling your businesses to your competitors can work for you, and there is nothing wrong with it, especially if you're looking to get all the way out of your niche.

(07): Finding Your Business Broker

If you are looking for a business broker to sell your business, there are a few things you should look for.

Here is what you need to know:

1. Finding the right business agent means you will get help quickly, receive personalized support in selling your business, and be able to find the right buyer as quickly as possible.

You will want to find business brokers who work with comparably sized companies, so look for brokers who have experience selling companies in your industry and region. If you find the right broker, you should look to see if they have sold to companies that are similar to you.

2. You should also check whether you are a licensed estate agent and, if so, whether you have been a business agent for at least two years. Some counties, countries, and states require commercial brokers to obtain a real estate license, while others are allowed to sell without it; some have special business and brokerage licenses, as do others.

Do some research on what is required in your state. It is recommended that business brokers have a real estate license to sell your business, as most businesses include real estate sales.

3. The use of a business broker is not subject to the same requirements as obtaining a small business SBA loan from a lender but is essential for obtaining SBA loans from lenders for small businesses and is not exempt from Small Business Administration requirements.

Remember, not all buyers will come with cash in hand!

4. An entrepreneur who has successfully owned a business in the type of business you are looking for can be a good source of business advice. You want to contact a broker who sells your type of business. For example, a glove factory wouldn't be a fit for a broker who sells restaurants.

Ask for a professional connection, such as an accountant or lawyer who may know of good business brokers in your niche who can help you sell your business.

Should these connections not be viable, you're welcome to go to Google, but it'll require some intense research to vet their expertise.

One way to do this is to find potential business brokers accredited by a professional organization such as IBBA. Find a business broker and have a list of possible business brokers, or read on to find other ways to narrow down the business brokers that might be suitable for selling your business. In addition to the company listings, BizBuySell has tools to find local brokers in your area.

A good business broker should be able to expose you to a large number of potential business sales or bids, and this helps you decide whether it is the right deal for you. Your business brokers can scan your business to find the "right fit."

Everyone has the option to buy or sell a business, but hiring an honest and experienced business broker is a smart financial move that will give you strong business relationships and industry knowledge that can give you a much better price to sell your business. The right business brokers can help a small business find a source of potential buyers.

Consider Retaining a Lawyer

If you have any questions or concerns about the sale of your business or would like to discuss other aspects of the business, please contact an experienced business or commercial lawyer near you – in fact, you should actively consider one as a part of the process, as they possess legal counsel and advice that a business broker may not be able to provide. Make sure your lawyer has a copy of all relevant business records so that he can advise you in the best possible way on the sale of the company.

Hiring an Accountant

Your accountant can help you structure your financial affairs so that you get the most out of selling your business. Your accountant will also help you structure your financial affairs so that you do not forget or get the most money after the sale of the company! Remember, it isn't all over just because some contracts are signed! Your accountant can also help you in structured financial matters to get the best return on your investment once you've been paid out.

Your accountant can do all the accounting and accounting services for your business, such as payroll, taxes, accounting and other related matters. You probably already know this, as one is likely already helping with these aspects, but, remember, part of the contract can stipulate that you'll need a second opinion or an entirely new accountant to run the sales process.

Your accountant will clean up your company's financial records and prepare financial statements that you can submit to potential buyers. Your accountant will list the company's financial records in orders and production statements for all of your company's assets and liabilities and prepare an accounting statement that can be submitted to a potential buyer.

Make sure you hire an accountant who knows your business and has experience in preparing companies for sale. One of the most important factors in hiring the right accountant is trusting them – remember, they're part of your sales process.

To NDA or Not to NDA?

If you are considering selling your business, the most important document is a non-disclosure agreement (*NDA*) between you and the prospective buyer. Without a signed NDA, potential buyers of the company or the receiving party must have some other agreement not to use or disclose valuable proprietary information about your companies.

An NDA, also known as a confidentiality agreement, is the legal document used to protect a company's proprietary information and data. Prospective buyers cannot talk to anyone about transactions with a party that is included in the NDA, and they cannot use this information for commercial gain. This information may be collected to steal customers, employees, or companies and for other purposes.

The confidentiality agreement of the entrepreneur should also clarify that the buyer may use the seller's confidential information only for the purpose of assessing the feasibility of a potential transaction.

In addition to protecting the confidentiality of information about your business, a non-disclosure agreement also prohibits buyers from disclosing the financial status of the business, business transactions, employees, products or services, or other sensitive information.

One of the most important aspects of an NDA is the preventing of a competing buyer from recruiting a seller's employees, to announce or tell others about the sale, or from publishing confidential or protected information that may have been observed during the sales process. Depending on the language of the NDA, other confidential information shared by employees can be protected.

In general, an NDA provides protection against compensation for employees who disclose trade secrets to the buying party. No sharing of the secret recipe in exchange for an envelope stuffed full with large bills!

Without the signing of a confidentiality agreement, you should not disclose confidential information about your business, business transactions, employees, products or services, or other sensitive information to the prospective buyer.

If negotiations do not go well, the lack of a confidentiality agreement can allow an angry prospective buyer to walk around you and spread rumors that could damage your chances of finding a buyer. If negotiations progress to the point where it becomes critical for buyers to analyze the seller's confidential information, then the prospective buyer should sign an NDA.

Disclosure of information is a necessary evil in selling your business, but it is inevitable when you sell to a competitor. If you are selling a business on your own, there are several steps you can take to ensure that the sale of your business does not leak ahead of time.

A seller's agent should not conduct substantive discussions with a prospective buyer without first having a signed NDA from the prospective buyer. Even if the potential buyer seems open to discussion of the deal and its potential business opportunities, refusing the signing of an NDA is not enough to dissuade business brokers from talking to them in some cases, especially if they are interested in a business opportunity in the same industry as their own firm. Be sure to set standards with any party participating in discussions – that you expect NDAs to be properly signed, no matter what.

Discerning buyers will understand the importance of carrying out a business owner's NDA, which prevents the buyer from using or passing on the seller's confidential information. Without NDA, anyone, especially competitors, can use the information in the entrepreneurs' NDA or any other non-disclosure agreement. They shouldn't bat an eye at signing, knowing the necessity.

(08): Gathering Interest

Speed is important when it comes to closing deals, and the faster a deal is completed, the less likely it is to harm the transaction.

As soon as the company reaches the sales market, and the buyer submits the first offer, the transaction clock is set in motion. The transaction clocks are reset and put back in motion as soon as a company reaches the business sales market, and then again at the end of the sales cycle or when a buyer has made the second or third offer (*or even the fourth or fifth*).

Try to create a jointly agreed-upon sales timeline that allows your broker and prospects to take deadlines more seriously and pay attention to the process.

Sales management is responsible for tracking customers to drive the deal forward without delay, and it is the most important part of sales management for a successful sales campaign. That's true, but it applies to selling your business as well!

"Sales Clock Management" That's the term here. This process is responsible for monitoring customers to drive the business forward without delay.

Time may kill deals, but how do you accelerate your sales process by using automation efficiently? Well, there are a few ways to go about that, including listing your business on brokerage sites in which potential buyers browse and buy without having to be connected in by an agent – while this may help get eyes on your listing, it could mean that you'll begin to have unqualified buyers stepping in to ask questions endlessly – AKA, lost time. It is better to go to a larger and well reputed broker like Churchill Mergers that specialize in multiple sectors and can give you some good advice and find the right qualified buyers for you. If you go to a small broker, there is a risk their buyer base may not be very good which in turn means there will not be a good bidding war for your business.

Slow sales increase costs, reduce efficiency, and also lead to lower peak revenues should the business not sell – all collated to lost time.

The Big Idea: If you don't want a potential deal to die over time, you need to commit to taking the next step, and your potential buyer needs to stick to that commitment. There is a difference between closed and missed opportunities.

Make sure you have all the relevant details of the deal, so you don't slow down your deal cycle in the future. Refer to the chapter above – if you don't have these documents in hand by the time you've reached the sales stage, run, don't walk, to get them in-hand.

Overall, you shouldn't expect to have to change your entire pricing strategy every night, especially if your interested parties and bidders have already seen the lower price from before. As mentioned earlier, it costs more money to continue losing interest rather than just getting the sale done.

It is always worth remembering that straight-shooting is much more valued than nuance when it comes to negotiations. Bigger companies can negotiate better terms with megaliths and keep the line on their profits with blown up discounts, but that's not possible in selling a small business. Don't compare apples to bananas!

Putting Together A Sales Presentation

Your sales presentation should use relevant images to help you explain complex concepts, draw a picture of what you are selling, and have your message stick. You know this – it's true for your regular sales calls!

Also known as a sales presentation, it is a speech or written statement that is made to persuade someone to buy or close a deal. It is designed to lead the audience to certain actions, such as pronouncing a quote and is a kind of sales pitch in depth. Sales conversations are short, interactive conversations that get your prospective customers into the mindset that they are buying what you are selling, whether it is an appointment or a product. You are an important part of the sales process that drives the sales process and crucial to convincing your audience of the use of your product and the success of your business.

It's the same process when holding a meeting with a potential buyer. The great news is that it works for selling your company as well.

One way to structure your sales presentation is to do something interactive and non-linear. Let your audience choose the theme of your presentation, or even the subject of the presentation, at the drop of their interest.

Do they want to hear more about profits for the year? Have an on-the-fly guessing section on which of the five most popular products sell the most. Drill those names, figures, and important events in – it is the only way they'll walk out of the meeting remembering you – and wanting to drop that major coin.

Understanding these components is a good start, but before you make your sales presentation, you should share an agenda for sales conversations with those in your sales team. Involve everyone who will be sharing a single peep about your plans – there should be no room for any little shocks and surprises.

The Big Idea: A good sales presentation focuses on the needs of your prospects by informing, educating, and inspiring them to learn the hard concepts - baked into the sales presentation. A well-executed, data-driven, high-quality, and informative sales presentation will convince your audience of buyers that they need your business in their portfolio, without a doubt.

For this reason, improving your sales presentation is one of the most effective actions your sales team can take. The most effective sales presentations will show your potential buyers that those who invest in your product and business are investing in their own success. It should become a no-nonsense "duh" reaction as to why they should buy-in.

Don't Let Up!

- From interest to closing, nobody is going on vacation.
- Never take the pressure off. Always mount—no taking the pressure off until the closing date.
- Remember, there is a time when the time for questions has passed, and the deal needs to be signed. Ensure the buyer knows that there will be no stalling for time, preferably early in the process.
- Maintain a positive attitude through the sales process.

If You Hear of Strategic or Financial Buyers

When a company is sold, many entrepreneurs have two options to sell: sell to a financial buyer or sell with a strategic buyer.

The seller will, in most cases, consider a "strategic buyer" (*as opposed to "financial buyer"*) as the party willing to pay a premium for the deal. This is dictated by the fact that the primary objective of the seller is to obtain a higher price, so must so that a strategic buyer is likely to offer the company more than a financial buyer. In fact, a strategic buyer might be a good choice because he is more likely than financial buyers to make a decision.

One of the ways a financial buyer can compete with a strategic buyer is to look for a tuck-in acquisition.

For example, a financial buyer can have a portfolio of companies that can complement and match synergistically, thereby reaping the benefits of a strategic buyer. Strategic buyers have the ability to exploit more synergies than typical financial buyers quickly.

They are often willing to pay more than a financial buyer will pay for the synergies that will result from the transaction. In many cases, strategic buyers pay more for a company than financial buyers for their company because they expect the synergy created by the acquisition to be of greater value. When a company is well known to a financial buyer, it can see the value of an existing solution to buy the customer base. If they enjoy the benefits of a strategic buyer's knowledge of their business model, they can, in many cases, pay less than the cost of an acquisition, and in some cases, much less.

Strategic buyers often seek to exploit synergies and added value - and are therefore often willing to pay more than financial buyers. How can a takeover complement or improve the strategic buyer's existing business or business units? Make it work!

Note: Some strategic buyers with existing holdings in portfolio companies, such as private equity firms, have become strategic acquisitors seeking to complete additional transactions and expand their portfolio of companies through mergers and acquisitions. If one of them starts sniffing your company out, it may be the chance to spring for sale.

Financial buyers are more likely to think about different exit strategies for a company before making the final decision to invest in or buy a company and are less likely than strategic buyers to sell it or sell it later at a higher price. Strategic buyers often pay a premium to financial buyers because of the higher cost of joining the company. Financial buyers, on the other hand, are often willing to pay premiums for post-acquisition valuations, as they often try to minimize entry costs. A well-known "hot button" is dilution, something that can be judged by examining the aspect of potential dilution of a deal with a strategic buyer and identifying the key elements that affect returns for the financial buyer.

It can often take longer to combine all these factors and processes with a strategic buyer than with a financial buyer, such as due diligence, due process, and other factors.

A financial buyer's business structure is usually different from a strategic buyer, and the remedy that both financial and strategic buyers offer is that financial buyers often pay cash or leverage, while strategic buyers are more likely to use cash, stock, or a combination of both.

In particular, financial buyers typically offer a lower cap rate (*i.e., a lower one than required*) than strategic buyers. Strategic buyers pay a higher value-added amount. (*i.e., required cap rates)* - due to the perceived added value that the company acquires.

If you can clearly identify a high ROI of existing assets, your company is much better off than a financial buyer who is simply seeking an EBITDA multiple to provide a basic return to shareholders.

It is equally important to note that financial buyers may indeed be more strategic than we think, and strategic buyers (*conglomerates with growth strategies*) may have more financial targets than expected. In that case, we may be creating a reason why a financial buyer could dominate an overvalued debt market.

EBITDA?

EBITDA, which stands for "earnings before interest, taxes, depreciation, and amortization," is a financial calculation that measures a company's profitability, although it is often considered irrelevant in the decision-making process, at least for "official" purposes.

The simplest way to calculate EBITDA is to start with a company's net income and add interest, taxes, depreciation, and amortization. Well, just like the name sounds.

You can also calculate it by taking a company's net income and adding up all the earnings before taxes, interest, taxes, then add the depreciation and amortization on top.

1. EBITDA = Net Income + Interest + Taxes + Depreciation + Amortization
2. EBITDA = EBIT + Depreciation + Amortization

An example: Sample Company #1 has an EBITDA of $5.75 million, with an EBITDA margin of 23.0% and pre-tax income beginning before and after the purchase. Before that, we add interest expense, depreciation, and amortization that does not return to the company's profit.

EBITDA has two major advantages: It is very easy to calculate and is a good measure of the company's cash flow and its ability to pay bills when it comes to assessing the solvency and solvency of invoices.

EBITDA is an improvement on the traditional formulas because it is more concerned with cash flows, plus depreciation and amortization, which do not affect cash flow. Free cash flow is unburdened, while EBITDA shows the earnings potential of the companies by eliminating interest expenses, depreciation, interest, and other non-cash expenses. It's a more holistic picture.

Equity?

It is a common concept in the world of small businesses to define equity investments as "the amount of equity that an individual holds in a company."

Are you scratching your head?

If you ask yourself, "What does equity mean? " What you're really asking about is the value of your investment in your business. Equity can describe assets that normally belong to a company or shareholder in a company and that belong not only to the company but also to any partner who owns those assets. If you represent the total capital of all owners of the company, you know the equity of the shareholders.

- When deducting debt and liabilities, equity is the remaining portion or share value of the company's stock.
- Equity can also be the "amount" of a business that the owners share. In a small business with a single owner, the owner's equity is usually 100% if privately funded, or some portion, if a bank is involved.

Just as a homeowner accumulates equity to pay off his mortgage, it can also be defined as the total value of all the company assets that each business owner, whether sole proprietor or partnership, can draw on.

Equity financing means that someone puts money or assets into a company in exchange for a percentage of ownership. This means that you sell your stake in the company to an investor who hopes to share in the company's future profits.

The Big Idea: Equity can be applied to a number of different types of assets, such as stocks, equipment, inventory, or other things that have value.

(09): Not Losing Your Pants in the Sale

Far too many business owners go into the sales process believing they can get a top-dollar because they believe it's worth it. It is nice to be sure that you can sell your business successfully at a good price, but if you do not feel a sense of satisfaction knowing that the business cannot function, then its value will drop. Conversely, it is also a mistake to give a price before you know the full potential value of your business. If you give the price without knowing all the potential values of a company, you are bracing yourself for an immediate disadvantage—a gunfight without a gun.

To avoid unrealistic sales price expectations, sellers must understand how other comparable companies are valued in the market. Most buyers will move on to the next sale if they believe the seller has behaved with unrealistic selling prices and expectations.

For example, use the valuation multiples generated for similar company sales to estimate a company's likely sales price. By analyzing exit number calculations, owners can focus on how much the business is worth compared to other similar companies in the same market. Simple to do, but maybe hard to bear.

Owners sometimes have a number in mind that they want to net sell for a sale that could be below the value of their business, or vice versa.

Speaking of discounts, some buyers may try to negotiate a lower price depending on the housing market, believe it or not. This could lead to them being willing to offer a discount of up to 10% or even 20% of the value of the company. For example, selling at the wrong time or at the end of a market cycle could mean fewer buyers and potentially lower offers. If you do not plan to sell your business years before the sale begins, there is no guarantee that you will receive a low offer.

Just remember - the more adjustments the buyer has to make, the less confidence they have in you, which leads to a lower offer and the lower the price.

There are many common mistakes that can be made during the price discovery process that could affect the market performance of your products in both the short and long term. Although there may be fewer errors in the valuation of your business, the reasons for the timing of a sale can still influence the price.

During the business sale process, the buyer will learn about the company's financial metrics, such as employee numbers, sales figures, and other financial information. When a prospective customer checks the actual finances of your company, these misrepresentations can raise red flags. Such misrepresentation may form the basis for legal action against the sale. Exaggerate the numbers and more when you sell - state the value of the company's assets and liabilities.

If you notice one or more of these errors in your company assessment, you should seek a second opinion before you forget it. If you think about the mistakes and they are present in the company's valuation, ask about them and get a second opinion. If it truly is a mistake, move to make interested buyers aware and correct the information as quickly as possible.

Consider the quality of the valuation in the context of the business model, market value, and financial performance. Develop a set of values as you enter the sales process so that you can set a reasonable selling price and compare it to your needs, and don't let up from it no matter what the competing offers may be.

Handling Bids

Most sellers want to sell as quickly as possible, but still, the process between selecting the potential buyer and completing the transaction takes time.

In a bidding scenario, interested parties place their bids against each other, much like when participating in an online auction. The buyer, generally the highest bidder, and the seller, the business, negotiate a contract of sale and the buyer must draw up and sign a non-binding letter of intent. Should you have a broker or other intermediary, they will be involved with this process and the rest of the way through.

To reverse course a little, once you have a number of interested buyers, there are several ways to get the best possible deal for your listing.

Once a bid has been accepted, the buyer can withdraw his bid within a certain period, but by all means, the sale should go into contract, kicking up the next stages of the sale. Depending on the contract, interested parties may still be able to bid and wait in the wings should the current bid fall through.

But what happens when there is a counteroffer?

You can write the best offer in the world, but a competent listing agent is able to advise sellers to resist multiple offers even in the market of a buyer. The best way to handle a counteroffer to a business sale depends on the type of company you are selling and the person you are negotiating with. If you prefer to do something different and your business is predominantly what you need as that jumping board, then you may not be in such a strong bargaining position because the potential buyer has to offer enough to make it worth selling. If you don't have that element, you may as well forget to fight a bidding war or sell the company at all.

Suppose you have to weigh up the pros and cons of selling through an auction or negotiation and decide whether an auction is the best choice. If you are negotiating a sale with a single buyer, then a direct sell is the most likely scenario. However, if there are multiple interested buyers present or the customer is open to selling to more than one buyer, an auction may be appropriate.

After the conclusion of the bidding process, the buyer goes through all the information submitted by the seller and consults for days before making his final decision. Once they have signed a letter of intent to buy the company and accepted the letter, they have another set period of time to conduct continuing due diligence investigations against the companies of the sellers.

(10): Assisting with the Transition

When it comes to selling a small business, many owners are concerned about getting the best possible sale price and are particularly keen to get it right. Accordingly, in the years leading up to a potential sale, it is crucial for entrepreneurs to find and promote employees who are willing to help the company succeed when they are no longer out of the picture.

A common approach is to prepare a resume that positions a successful entrepreneur as an advisor to other small businesses so that the entrepreneur can continue working, perhaps having a few clients with long-term consultancy commitments. Should you be a buyer, it may be best to include a non-compete clause to save yourself being sold up-the-river to local competitors!

There will come a time when the strategic team selected by the entrepreneur must go as far as possible to increase value, achieve personal goals, and lay the foundation for a life of corporate ownership.

If you are a small business owner and have not made a succession plan, now is a good time to start. Even if the plan to retire or change your company is a long way off, planning for the future of your company now can help ensure long-term success. Remember, if you're a shareholder in the company after you leave, your bottom line will still be affected!

Needless to say, entrepreneurs should have a contingency plan setting out what steps to take in the event of a transfer. A gradual process is ideal because it involves a gradual transition from one owner to the next, rather than a sudden change of ownership of the company. Entrepreneurs must write a succession plan when a change of ownership is in sight, even if they intend to put their company up for sale outright – who knows what could happen.

Knowing what the transition will be like, the CEO can confidently tell his employees what to expect and how best to prepare for the event. Taking legacy assets into account in a transition plan helps business owners to prepare themselves mentally better for an exit. It also helps the company, its employees, and customers to prepare for a change – much like, as you guessed, selling the company, having upper-management head out.

While most successful entrepreneurs already have a solid team of consultants, when talking about changing ownership of a company, the owner should ensure some things that he needs additional expertise. In addition to increasing profits, the most important thing for entrepreneurs expecting a sale or transition to another company is to develop a strong lower-management team that will continue the business after the sale is completed.

The first hurdle to overcome is that business owners are willing to sell the business. This is because they have not yet started the process and are not sure whether they want to leave or move forward. The first question is to fend off the sense of regret that many business owners feel after the sale of their business – a part of both the buyer and the seller.

What to Do If You’re Going to Work for the Competition

“I am about to leave to work for a competitor and I plan to give 10 working days notice after the sale, but the company wants to not do it.”

“If I work for my competitor or start my own competing company, my old employer will take legal action against me alone.”

“Even if I sign an agreement that is not related to competition, my former employer can sue me if it believes that I am violating my contract.”

“The company will have to pay damages arising from the fact that it has tried to enforce the non-competition agreement I signed, as well as all claims for damages.”

The threat of litigation may make some former employees think twice about working for a competitor, but not all do, especially if those essential NDA and non-compete agreements weren’t signed.

If you accept a job offer from a competitor and the contract includes a competition clause, you should consult a lawyer. A contract that is not related to competition may be deemed inappropriate by a court if it prohibits you from competing with your former employer forever, for example, but you’ll need killed legal eyes to catch such goofs. If you receive certain confidential information that will inevitably be used in the course of work for your new employer, the court could see a legitimate reason for maintaining the non-compete agreement. Whether or not it is wise to sign a non-compete agreement depends on how much you want the job, or to start up that new business, as you may not have much choice if you want to work for an employer that requires you to do so.

Make sure you have a permanent job offer from a competition before you quit and resign from your current venture, that’s for sure, and if you have the option. It could be that if you work for a competitor, your former company may ask you to leave immediately and you will not work for that company during your notice period. Remember, it isn’t yours anymore – new management, new rules.

In the event of a breach, the threat of legal action may be sufficient to prevent an employee from working for a competitor. Both you, and the managers of your former business, know this.

(11): Don't Get Yourself Sued!

1. Make sure that there's no exaggerated or false information in your reports. If it seems fishy, it gets tossed out. Bar none.
2. Always leave some cash behind. You're cringing at the idea, I know, but trying to get every penny possible out of a deal can lead to issues.
3. You can choose your own buyer. Take advantage of that fact! If the buyer is a serial entrepreneur or firm, ask them about their track record with similar businesses. As long as the buyer has had previous success in your niche, you should be fine. It is when there are quick business failures after a sale that lawsuits show up.

Selling your business can be a long, tiring, and sometimes stressful road, but often well worth the wait and the pain.

(12): How to Handle That New Money

When you reap the proceeds of the sale of your business, you need to know where to invest your money. You have just received a windfall, what will you do with the money after the sale?

Of course, you could always donate some of your proceeds to a charity cause, put it into your bank account, or use it to go on vacation, but – there are other options.

When you sell your business, there are tax reliefs that can mean you pay less capital gains tax. The tax reliefs vary in each country and we suggest you speak to a good tax adviser before selling your business. The tax adviser will guide you on the right exit structure in order to get maximum after sale proceeds.

You could speak to a good financial adviser who can guide you on how to best use and invest your money. You may be looking for short term or long term returns which the financial adviser can explain in this detail to you.

You could also consider clearing your mortgage or gifting some of the funds to your children or help them in getting on the property ladder or start a new business.

More importantly, this is the time to make the most of your golden years. You want to have enough cash available to able to enjoy yourself to the max for years to come.

If you join our Mastermind program, we will give you access to some of the top experts in tax planning, law, financial planners, marketing and client recruitment and many others.

(13): Your Personal Setting Sun

Selling a business is a stressful and totally elaborate ordeal that leaves little time to think about your personal life and circumstances after the sale. Therefore, you need to plan what you will do with your life after the sale of the company before the sale ever finalizes.

First, you need to realize that what happens after the sale of your business needs to be planned in the same way as the sale itself. Life doesn't end just because you aren't following that same schedule of the working life anymore!

If you plan to stay, make sure you get a long break, even if it's a month after the sale. Come back into the fold refreshed – the new owners want your expertise, after all, not your shadow!

Take the time to talk honestly about selling your business and your family, so you have a clear picture of what will happen next. How is your family going to react? Is it going to put a damper on your personal financial situations?

Join Our Unique Mastermind Program

I hope you have found this book useful and are now ready to sell your business.

If you feel trying to get your business ready for sale can be too much or you are not sure about some areas and would prefer to have regular access to an exit planning specialist to support and advise you each step to grow your business, you can join our Mastermind program.

Our unique Mastermind Program will give you access to a specialist mentor for a period of 12 months and guarantee to increase the value of your business and get it ready for sale.

All of our Mastermind students highly recommend this program and have gained significant value from it. Most people read a book but don't know how to start/ implement or they may soon forget what their objectives. They will not have a detailed road map on steps to take and there is no one available to monitor their performance and ensure they are on track to increase the value of their business by a certain date. They will soon get absorbed in their daily routines and the plan to grow the value of their business will soon be forgotten. Unfortunately, people only get older and hence retirement or exit is inevitable. This results in unprepared business owners selling their business for less than half the value they could have achieved if they had joined a Mastermind program.

With the right support from our exit planning specialists, you are guaranteed to at least double if not treble the value of your business for a very small investment which is a fraction of the growth in value of your business.

Here is a list of benefits of the Mastermind program:

- Double the value of your business (at a minimum)
- Key exit strategies tailored to your circumstances
- Access to a business growth specialists for advice and support
- Access to industry experts
- Regular progress reports and feedback
- Get more done in a short period of time
- Access to our specialist tax advisers to help you set the right exit structure
- Access to our specialist lawyers with the sale process

- Access to our marketing specialists to help you get customers and sales that you need
- Share the journey to growth with fellow members of the program. Share knowledge and learn from others.
- Training on how to deal with buyers, how to respond to their questions and how to prepare your sales pitch, how to deal with due diligence
- Access to our M&A team who can help you sell the business when it is ready
- Access to legal paperwork including Non-Disclosure Agreements and Sale and Purchase Agreements

Our unique Mastermind program is guaranteed to transform your business. The program will increase the value of your business and give you a much higher sale price for your golden retirement years or even if you wish to start a new venture.

If you want to find our more and get started with the Mastermind program, visit our website: www.churchill-megers.com and register your interest. One of our team members will contact you with the next available dates.

www.churchill-mergers.com or www.churchill-mergers.co.uk

In Recap

Ask yourself two rather easy questions:

- Have you been in business for at least a year?
- Have you seen some profit through the doors?

If the answer was a firm "yes" to both questions, your business is sellable. Here's the list of action items:

1. Give your company a firm look over. Is it in the state that it can be sold?

Answer: Yes

2. Are you in to sell the whole or only part of the business?

Answer: I'm going to sell **X** amount of the business.

3. You'll need to decide what the base, minimum price you'd consider to sell.

Answer: I've got that figure, and it is – **X**.

4. Is the deal to be cash on the table? Remember, you'll also have finance offers to consider, much like when selling and buying a home. Would you allow the seller to make arrangements to pay over time in installments? Should it be this plan, how much equity would the buyer have during the process?

Answer: I will consider **X** types of deals. (*Cash, finance, equity*)

5. Will you require a promissory note for the beginning of negotiations?

Answer: I **will** or **will not** require a promissory note.

6. Will you be working with a broker, investment bank or handling it all on your own with just legal counsel?

Answer: I will be working with **X**. (*Broker, investment bank, legal counsel*)

7. You'll need to prepare your "book of business" consisting of financial files and other records of note.

Answer: I have gathered **X** documents. (*Refer to earlier chapters for the lists of needed documents*)

8. Craft your sales presentation and get all responsible parties involved. Practice, practice, practice!

Answer: I have crafted **X** parts of a sales presentation.

9. Before any first meetings, settle on a few privacy measures. Non-disclosure agreements? No initial tour?

Answer: I am putting **X** privacy measures in place.

10. Put your marketing kit together. Where are you going to announce the sale? Get to posting!
11. As offers come in, weigh on and decide on them.
12. Give buyers some patience as they do their research and make their decision, but don't let it go on too long; it could sour the sale.

Having reached this section, you've checked off your way down the recap list. You're well on the way to selling your business. It is going to be a hard-fought battle, but with results well-earned.

Good luck!

No, selling isn't jumping ship.

Small business owners and retailers make drastic mistakes when they sell their business, losing thousands of dollars with every sale.
That's millions, if not billions, a year.

One of the biggest mistakes an entrepreneur makes when selling his business is that he or she overvalues their business and loses a sale or undervalues their business and finds themselves at the short end of the stick.

**It can be inviting a torpedo into the room.
Don't do that.**

About the Author:

Jamal is a serial entrepreneur. He has set up several consultancy businesses over the years and has advised on numerous M&A transactions. He has acquired businesses and has been through the thick and thin of the M&A process.

Jamal has his own private equity business and a real estate portfolio. Jamal is the CEO of Churchill Mergers, one of the largest M&A platforms in Europe covering numerous sectors including large and medium sized businesses.