

Four Things to Avoid when Selling your Business

Going it Alone

As tempting as it may be to consider trying to sell your business alone, there are lots of pitfalls. As talented as you have been in building your own business there are very few people with the diverse skills, knowledge and contacts to complete this task effectively, i.e. legal, marketing, sales, accounts etc. It is obviously imperative that your company is in the best shape possible at the point of sale so your eye needs to be firmly focused on doing what you do best, running your business.

Going it alone can also bring the following anxieties:

- Do you really have the time it would take as you will be learning as you go?
- How do you know that your business is in good order and attractive to potential buyers, before the viewings start?
- Who would be the best type of buyer to achieve maximum price, and how do you find them?

Allied Powers undertakes a sellers due diligence to ensure that any potential issues you may have are rectified before the potential buyers find out and try to adjust the price, or worse, walk away from a deal.

“Guestimating” the Price

Selling a business is an exciting time but it is necessary to be tempered in your expectations until the value of your business has been properly calculated taking into account all the relevant aspects, (there are quite a few). During this process you will also begin to understand how long it could take to sell a company such as yours, and what kind of demand and prices abound and also, of course, what kind of concessions might potentially be needed to close that final sale. OK, valuing isn't always straightforward as there are different methods employed in reaching a viable valuation of your business. However, there are ways to make it more precise and relevant to your type of business and the outcome you are looking for. It is obviously vital to market at the right price level to ensure credibility and that ultimately the best value is obtained from the sale.

Guessing the price can also bring the following anxieties:

- Price too low and you will really regret your decision;
- Price too high and you will deter interested parties;
- Use of purely an accounting valuation is wrong.

Allied Powers recognise that the very best price for your individual business will come from a strategic purchase from another business who actually sees added value in your business when it is in their hands. We have 30 years' worth of contacts who are waiting to be informed of companies to add to their portfolio and they have the funds ready. We look to obtain the best possible price from our final “bidders” as ultimately your business will be worth whatever somebody is prepared to pay for it.

Call Freephone 0800 8606737 now to talk to one of the team directly

Bad Timing

Timing is everything, or so they say, and when selling a business it is even more important. There are definitely certain times of the year when you will find the buoyancy you need to obtain the biggest interested audience. Everybody is on holiday in August, for example, and there are definitely better times to position your business for sale.

Bad timing can also bring the following anxieties:

- Selling at the wrong time can waste a lot of time;
- There are some peak times to sell, ensure you utilise those times.

Allied Powers like to work on a plan to optimise all aspects of your sale so we will always work to a strategy.

You will need some good luck but this is not as random as you may think - luck is where preparation meets opportunity!!

Lack of Preparation

Time in reconnaissance is never wasted. Correct. This is especially true of business sales as it is never too early to start preparing for a sale. It takes many people by surprise how long it can take to prepare for the sale of a business if it is to be done comfortably around a normal busy workload. There are many questions that need to be answered during the sale process and the trick is to have all the answers ready before you are asked! This also avoids any nasty surprises or delays where aspects of your business are questioned and possibly used to negotiate downwards.

Lack of preparation can also bring the following anxieties:

- Your buyer wants to “hold back, retain or defer” part of the agreed price;
- You become submerged in fire-fighting issues to keep your buyer who has too many questions;
- You get much lower offers than expected, or even worse, your buyer comes back looking for a downward adjustment to the price because of “issues” they were not aware of.

Allied Powers ensure that if there are any issues they are found before any potential buyers spot them, as this is vital to maintain the price. Our process minimises all of the above ‘anxieties’ and we also ensure that you are happy with any proposed payment schedules. We have done this many times before and can make sure you get the best possible assistance in minimising the downside and maximising the cash available to you as the seller in the transaction.

We hope we have given you some food for thought. We are always happy to chat about where you are, and where you want to be, so please get in contact if you need any pointers.

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