



Essential Tips for Selling Your Business

Selling a company is often a once-in-a-lifetime experience. It also can be overwhelming for everyone involved. Fortunately, there are steps you can take now to prepare your business for sale, enable a smooth process, and ensure the best possible results.



1 Educate yourself early

The process of selling a business begins, on average, anywhere from 12 to 36 months prior to the transaction. Before getting started, educate yourself on what's at stake and the steps required to eventually close a deal. Meet with key advisors to fully understand the value of your business and what the process of selling will look like.



4 Ensure strong leadership

Strengthen your management bench so the business will run smoothly without you. Fill any critical talent or leadership gaps. Demonstrate the team's ability to maintain growth after the sale, even if key people leave.



7 Optimize operations

Evaluate all IT systems, R&D activities, production lines, and processes. If necessary, develop and implement procedures to establish and consistently report on operating metrics.



2 Partner with quality advisors

It is nearly impossible to go it alone when pursuing a business sale. Select an experienced investment banker and an experienced M&A attorney, both of whom spend all their time doing transactions.



5 Flex financial muscle

Your CFO will be a key player in the transaction. Make sure yours is a star. If not, upgrade your talent at this position. Have your CFO start presenting complete and accurate financial statements that conform to GAAP and have been audited by your CPA.



8 Resolve issues

Examine all aspects of your business and improve anything that may limit value or buyer interest. You don't need to transform the company, but rather address potential setbacks.



3 Research tax implications

M&A attorneys and estate-planning attorneys may substantially increase your net proceeds from a sale by planning well in advance. Conduct due diligence of tax structuring to minimize liabilities, and obtain the best structure for the transaction itself and for estate-planning purposes post-sale.



6 Get New Customers

Don't put all of your eggs in one basket. Diversify your customer AND supplier base to reduce the risk of competition, saturation, and product obsolescence.



9 Develop and execute a growth plan

Buyers want to see and understand a clear path for the future. Reserve ample time for business planning. Set goals and be able to demonstrate what steps you're executing to achieve your targets. Report results and make adjustments as necessary.

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