



TEN VALUABLE INSIGHTS
GAINED FROM
THE PROCESS OF
SELLING A BUSINESS

BRILLIANT
BUSINESS
SILVER

INTRODUCTION

In my recent trio of posts, the spotlight has been cast on Ms. Smith and her tumultuous journey through the business sale ordeal. I extend my deepest appreciation to Ms. Smith for generously allowing her narrative to unfold to the public. Even with the hurdles she faced, her openness to share them stands as a ray of hope for many who could derive crucial lessons from her voyage.

It's pivotal to recognize that the missteps of Ms. Smith echo a common theme in the world of business proprietorship. Countless business owners have found themselves adrift in similar murky waters. An essential stride every owner eyeing a business sale must make is to delve deeply into the intricacies the process enfolds. Stepping into this domain, you'll encounter a realm where the unforeseen morphs into the norm. Tackling these unexpected challenges morphs into a more navigable feat when one adheres to proven best practices.

If the horizons are signaling a ripe moment to sell your business, here are ten indispensable lessons, carved from the hard rocks of experiences by individuals like Ms. Smith



01

ASSEMBLE A VETTED TEAM OF ADVISORS

With the sweat and tears poured into nurturing your business, usually, a single shot at selling it is all you get. The assembly of a seasoned advisory team encompassing an accountant, a business intermediary or broker, an attorney, a financial advisor, and a business generalist, all armored with a rich experience in this field, is non-negotiable.





02

ENGAGE AN INTERMEDIARY FOR YOUR BUSINESS SALE

Sailing through the intricacies of a business sale could be a daunting endeavor. An adept intermediary or broker who can interface with the other party while staunchly representing your interests in the sales milieu is indispensable. Venturing solo is a path strewn with pricey missteps. This is no stage for skimping on professional fees.

03

ALIGNMENT OF YOUR ADVISORS WITH YOUR INTERESTS

As witnessed in Ms. Smith's saga, her business broker played a double-edged role, representing both sides of the deal, spiraling into a scenario where no one's interests were served, breeding complications.





04

EMBRACE THE EVENTUALITY OF CHANGES BY THE NEW OWNER

Most buyers usher in their vision for operations. If your sale encases earnouts or seller financing, shielding your ability to retrieve any deferred payments is crucial.

05

SECURE KEY EMPLOYEES' LOYALTY

Entice them into signing agreements transferable to the new owner. While the new owners might desire your presence during the transitional phase, the expectation for your key team to endure lasts longer. Their retention and continuous engagement in operations through the transition is the linchpin for a successful sale.





06

MAINTAIN BUSINESS VIGOR AMIDST THE SALES PROCESS

Despite the sales process sapping undivided attention, ensuring your business retains its peak performance is vital. A sale crumbling or business vigor dwindling during the process can wield hefty damages, potentially derailing the sale altogether.

07

GEAR UP FOR DUE DILIGENCE

Resembling a thorough exam, its essence from the buyer's lens might seem to whittle down the price, yet it remains an integral segment of the process. I staunchly recommend a simulated due diligence drill prior, to unveil your company's frailties and arm you with well-structured responses for prospective buyers.





08

UNDERTAKE PERSONAL FINANCIAL PLANNING PRE-SALE

One chief precursor to seller's remorse is the harsh awakening that the proceeds fall short of meeting financial aspirations. A financial blueprint clarifies your fiscal requisites, anchoring realistic expectations.

09

REFLECT ON YOUR POST-SALE EXISTENCE

The vacuum post-sale, once filled by 40 to 60 business-engrossed hours weekly, demands a meaningful engagement to bridge the void.





10

ADHERE TO BEST PRACTICES, EVEN IN MINOR FACETS

Initiate by having all parties ink robust non-disclosure agreements. If viable, conjure an offering memorandum. Script a letter of intent with your buyer before unveiling sensitive corporate materials. Craft a purchase and sales agreement not merely outlining the sale's terms, but also shielding your interests against potential legal tussles from the buyer, governmental entities, or regulatory bodies.



CONCLUSION

Following these guidelines with diligence doesn't carve a path to guaranteed success but magnifies your chances to fulfill your aspirations significantly. At the terminus, it's about wielding common sense—a virtue easily lost in the convoluted scenery of business sales as the recent times have starkly illustrated.

What facets do you reckon might have slipped through in this checklist? In your standpoint, what ranks as the most crucial boxes to tick when orchestrating a business sale?

