

A Simple Check List for Owner's Who Want to Divest Now!

The best time to sell a business is when the business is ready, when you (*the owner*) are ready, and when the market is ready!

Fortunately the market today has become very different from the last three years. The **underlying elements are now changing**.

Financing constrictions, which changed the equation on the average cost of capital by lowering the typical multiple of cash flow, have started to improve. The number of active strategic buyers, which had been reduced because of underlying business problems, is slowly increasing. These clear facts did not preclude structuring a transaction in the last 36 months, they simply make it more difficult to get optimal results. Since the market place had some deficiencies, which appear to be changing, any business owner who is now personally ready to sell should focus on the things that can be done to effect a successful sale in the near future.

First, be sure you, the owner, are ready to sell. Second, prepare the business for sale.

**Start with the following simple checklist...after you read this book - -
["When is the Right Time to Sell MY BUSINESS?"](#)**

1. Improve Performance:

Don't wait to make any hard decisions. (*New buyers do not really want to take control and face a round of cuts.*) Fix problems, drop poor performing product lines, adjust overhead expenses, develop the best growth patterns in revenue and cash flow that are possible. If you have not engaged a professional valuator to provide you with a report to measure the elements as well as the value of your business...find the right professional and get that planning tool in your hands. Once you have a report to use as a Value-Planning BluePrint...you will benefit from reading this book: ["How Can I Increase the Value of MY BUSINESS?"](#)

2. Act Quickly:

If you are ready to sell, act now. Do not wait. Bad things happen when you wait...losing employees, or key customers, etc. The sales process is complex and time-consuming, do not squander management time during this critical period. (Get your advisors involved as early as possible to assess where you are and what steps to take...and when!)

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3. Plan and Execute an Extensive Buyer Search:

There are active buyers in the market. Private Equity Groups have the funds to invest in the right opportunity. Individual managers from top companies are actively looking also. **Plus international companies are increasingly active in the United States.** Create a marketing plan that confidentially exposes the business to the maximum number of qualified buyers in a short time. *(Many of these buyers can and will act quickly if you have a business that matches their investment criteria.)*

4. Document Process and Systems:

Part of what makes a business function effectively is the operating process and formal and informal systems in daily use. Be sure to recognize the value that these systems deliver to your business and to any future buyer. *(Where necessary move immediately to improve any substandard system.)*

5. Keep Your Key Employees Happy:

Carefully communication and good planning will help keep all of the key people in place. *(There may be significant opportunities for each of them with a new owner.)* Every owner needs the management team's help to complete a transaction. You need the team to operate the business effectively and to assist you in the sale process. Although everyone is theoretically replaceable, during or immediately after a sale is not the time.

6. Retain an Experienced M & A Specialist:

The sales of a privately-held business is complex and time-consuming. You, the business owner, need to run the business and improve performance during the sales process, which may take up to a year. Get help from an experienced professional who has access to the right parties, knows the market, and can guide you carefully along the way.

A final note of caution: If either you or the business are both not ready to effect a sale, this may be the time to consider one of the following two options.

A recapitalization or a divesture of a product line or segment of the business. Either type of "partial" transaction may meet your personal needs and position the business for growth and success in the future.