

TIPS TO SELLING YOUR BUSINESS

You've reached the point where you feel it's time to sell your company; this will be a significant and sensitive event which requires careful planning and execution. It's essential you are in control and elicit the best possible terms for the transaction. There are many ways to handle the process, with some choosing to go it alone although this is not recommended, as those who use financial advisors get the best outcome, normally up to 20% more value and better terms and conditions.

Below are the main priorities to consider when selling you business.

- **Planning**

As soon as you know you want to sell your business or even consider the possibility you will need to start planning. You may need to consider changes which need to be made to the business which will make it more attractive to buyers, and ensure that your finances are in good order.

- **Get the right advisers**

You will need a specialist corporate financial adviser and a solicitor. The financial adviser concentrates on the financial aspects of the sale, helping you choose the timing, find potential purchasers, prepare the business for sale and negotiate the deal. They will also manage the entire process, leaving you free to continue running the business. The solicitor focuses on legal issues such as drafting a sale agreement. You also need to use a specialist tax adviser to handle business and personal tax planning.

- **Maintain Confidentiality.**

Keeping the sale of your business confidential is essential to prevent issues arising such as negative attitudes from employees, customers and suppliers. An experienced adviser will use a discrete marketing approach to maintain confidentiality.

- **Finding a buyer**

Identifying the right buyer is key to the sale. There are a variety of people you might consider like a trade buyer based either in the UK or overseas, the management team or a private individual. The advantage of the seller finding the buyer, is that the seller is prepared and in control. Successful deals do happen the other way around, however experience has proved the buyer ends up paying less for the target.

Whatever your situation, selling your business will be one of the most important events that will happen financially but also personally. Formulate your plan carefully with the help of your professional advisors, and then when the time comes, take the time to negotiate a price and terms that satisfy your reasons for getting out of the business.

If you would like to download a more detailed impartial guide on selling your business this is available at www.tosellabusiness.co.uk

This article was written by Sean Moriarty, Managing Partner at HW Corporate Finance's North West Office. He and his team have created specialist websites www.tosellabusiness.co.uk and www.tobuyabusiness.co.uk to help both buyers and sellers of businesses.