



POSITIONING YOUR BUSINESS FOR SALE

The sale of a privately held business is a complex and time-consuming task. It is something that most entrepreneurs do only once in their lifetime, and may represent the single most significant financial transaction of their life.

Due in large part to the time that it takes to implement changes and to have those changes reflected in the appropriate manner on the Seller's financial records, we typically advise Sellers to take proactive measures to initiate the positioning of their business for sale two to three years prior to actually taking their business to market.

- Financial and Tax Records** - Most business sales are financially driven transactions. If there is only one item that is remembered as a result of reading this article, it should be "**GOOD NUMBERS SELL BUSINESSES FASTER FOR MORE MONEY.**" There are several ways to implement this concept.
 1. Use a full service CPA firm.
 2. Upgrade your financials to audited or reviewed financial statements.
 3. Clean up your Balance Sheet.
 4. Clean up your Income Statement.
 5. Consider changing from a C Corporation to an S Corporation.
- Assemble an Experienced Acquisition Team – Your team will typically consist of an attorney, an accountant/tax advisor, an intermediary/ business broker, and, on larger transactions, a financial planner.
- Presale Audit – Your intermediary/business broker can assist you in this process.
- Reduce Customer Concentration
- Create Second Level Management
- Curb Appeal – Similar to selling your house, first appearances are important.
- Documentation – Prior to going to market is an appropriate time to get your documentation in order.
- Business Plan – Prepare an up-to-date written business plan.
- Commitment to the Process – The sale of a business is a complex and time-consuming event.
- Intangible Assets – Identify business attributes that are readily discernable from your financials. Some examples include:
 - Skilled and highly trained employees
 - Diversified customer base
 - Location
 - Upgraded equipment
 - Tooling
 - Mailing lists
 - Patents and trademarks

Like most significant events, planning can materially increase the likelihood of a better outcome. The Seller of a business is not only "selling" to the potential buyer, but must also "sell," or convince, the buyer's lender and advisors (usually an attorney and an accountant) that the business is worth the purchase price.

**For a confidential, no-cost, no-obligation consultation, call The FBB Group, Ltd.,
at 800-395-7653 (719-635-9000 in the Colorado Springs area).**