

## *You're Ready to Sell...Now What?* *11 Land Mines to Avoid*

Now that you are ready to leave or transition your business, how do you do it? It is a question that many women small business owners ask – but often when it is too late. Whether you are ready to move on to retirement, or a new business, a successful exit strategy should start three years before your target exit date.

The life of a business owner is both rewarding and exhausting. Many business owners are forced to sell without an exit strategy because of burn out, health problems or financial issues. When you sell your business without a plan, you run the risk of falling hostage to poor financials and bottom-feeding buyers. The sale of a business should be a planned process to yield a business owner the highest possible price for their company.

I see business owners make the same common mistakes when it comes to planning for the next phase of their business. The good news is that with a bit of planning, these 'land mines' can be avoided.

### **Eleven Land Mines to Avoid When Selling Your Small Business**

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1. Don't become emotional and overprice your business.
2. Don't forget to meet with your accountant. Make sure you understand the tax consequences of the sale of your business.
3. Don't go to market without a complete marketing package, including three years of financial statements, for potential buyers to review.
4. Don't share confidential information about your business with buyers unless they have signed a confidentiality agreement and are financially and professionally qualified
5. Don't let your sales drop after you put your business on the market. No buyer wants to buy a business that is losing money.
6. Don't leave deferred maintenance for a buyer. Curb appeal counts in business sales, too.
7. Don't rely solely on your competitors to be your only potential buyers. Placing the business on the open market will increase your chances for multiple offers and potentially a higher price.
8. Don't wait for an offer to determine if the lease for your space is transferable.
9. Don't give a buyer access to all of your financial, customer, and/or employee records until you have agreed in writing on the price and terms of the sale.
10. Don't accept an offer without a substantial "good faith" deposit of two to three percent of the offering price.
11. Never tell your employees or customers that the business is being sold because it's not over until you have the check in hand!

Creating and implementing an exit strategy for your business can mean the difference between taking a long vacation and retiring to a little island somewhere after the closing. By developing a solid plan, you can leave your company knowing you created something bigger than yourself and have the financial stability to provide for the next stage of your life.

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