

Selling your small business: information on a need to know basis

When you have made the final decision to sell your company, most business owners feel that sharing information with employees right away is a good and honest idea. But that is exactly the ***opposite*** of what you should do in this situation. While it's noble that you want to be totally upfront with your employees, what real information do you have to share? By immediately sharing the fact you are going to sell the company, you are potentially setting yourself up for problems with employees, suppliers and customers.

It can send up a red flag to experienced employees. If you decide to share your plans to sell with your employees, be prepared that some may decide to start looking for work elsewhere. A sale can be a bumpy ride and some employees may not want to go along. This is unfortunate since a good, hard-working employee can be a valuable asset to your company. In addition, for every minor snag along the way (and there will be some) you will most likely need to spend time dealing with employee reactions.

Suppliers could get cold feet. During the sale process, any number of things could happen that would put a supplier on edge. If a supplier gets word that you are selling, they could get nervous and pull your account accepting only cash for future deliveries. Remember, they are in business as well and they want to make sure they are going to get paid for their services.

Customers may want to “wait and see.” If a customer is aware of the sale, they may chose to put a hold on further ordering and see how things develop with the sale. This can also give them cause for concern about whether they will get the same quality of product or service and may decide to research alternative companies to use. This could put a dent in your sales – not something a potential buyer wants to see.

The best course of action is to treat the sale of your business as an undercover operation until you are sure you have a firm deal. Undoubtedly during the selling process someone is bound to suspect something and rumors will fly. Just be prepared – you might want to consider having a cover story ready to use until you are armed and ready with a firm deal and details that will answers everyone's questions and make the sale a positive experience for everyone.

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