

5 Tips for Selling Your Business

JoAnn Lombardi, VR Business Brokers/Mergers & Acquisitions, President

Business owners own life-long dreams, not businesses. When the time comes to pass on that dream, care should be taken to get the best price. The following tips can help business owners successfully sell their businesses.

1. Position your business for sale.

This process should begin the day you purchase or start the business. To build long-term value, develop and maintain a tracking system of customer transactions, financial records, licenses, equipment, and inventory.



JoAnn Lombardi, President

2. Determine the fair market value of your business.

Because the market determines value, business intermediaries are the most qualified professionals to value your business. They have the most complete and current information on actual business sales and pricing formulas, and can therefore provide businesses with accurate market values.

3. Manage your business.

A common mistake made by sellers is to relax once they have decided to sell their business. To maintain maximum value, continue to manage your business with complete dedication and keep up your inventory, maintenance, advertising, and customer service levels.

4. Maintain confidentiality.

Your business value could suffer if employees, customers, or suppliers know your business is for sale and they no longer treat you "as usual." Executing a representation agreement for your business with a qualified business intermediary assures you of confidentiality as well as step-by-step assistance through the selling process.

5. Negotiate effectively.

Don't let inflexibility prematurely end a deal with a qualified buyer. At this stage you benefit tremendously from the professional help of a VR business intermediary who is trained to develop creative (and responsible) terms that both help close the deal and ensure all interests are met.

