

Keeping the Train on the Tracks.... VR Explains How to Sell Your Business

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Normally, a business owner who's looking to sell has to keep their intentions close to the chest. You don't want to upset your employees, your customers or the vendors; any of which could cause a major disruption in your operation and be a detractor to potential buyers. Since selling your business can be both an emotional and overwhelming process, it's important to consult VR Business Sales. We will facilitate the process to where you will be able to continue operating the business as normal while we look for a qualified buyer. A qualified buyer will want to see a thriving and well-operated business if they are put down a substantial financial investment.

Each VR business intermediary is equipped with the tools and experience to ensure that you don't make any pivotal mistakes. Below are some areas that we will help you stay on the track with to get you to completion of the deal.

Pricing the Business at the Fair Market Value

Although many sellers would like to see their business' worth based on the time, effort and finances they have spent, you don't want to go in and place a high price on a business. When you make that decision to sell, you have to be able to understand what buyers are looking for so that you can come to a win/win arrangement. If the price you're looking for is higher than what the fair market value is, chances are you will have a difficult time finding a buyer who's willing to write a check.

Maintaining Confidentiality

Any type of disclosure outside of the two parties involved can detonate the deal. It's critical that all precautions are taken as to not disturb the running of the business operation. Employees can and will run if they feel they're not working at a stable company. Therefore, make sure all correspondence stays away from the business. Each VR business intermediary maintains constant contact with both you and the buyer to make sure all questions are being answered and no breaches in confidentiality are made.

Never Sell Impulsively

It's normal for a business owner to burn out and decide at the drop of a hat to find a buyer to take over the business immediately. However, do not make a rash decision. At VR, we sit with you to make sure you plan ahead both carefully and accordingly. An accelerated business sale can result in leaving a lot of money on the table if you don't take your time.

We will assist you in all aspects of the process from:

- Cleaning up the balance sheet.
- Settling any pending litigation.
- Resolving any environmental issues.
- Paying any additional dues for audited financial statements – this could increase the value of your business substantially if you have accurate financials.

Anticipate the Buyer's Requests

A buyer is going to want appraisals of the property of the business, the machinery and equipment, inventory, intellectual property and goodwill. Due diligence and investigation takes time on the buyer's end, so it's important to have your ends covered before the business goes to market. At VR, we will assist you in getting all areas of your business prepared for the buyer.

Focus on the Structure of the Deal

Any seller will want all cash at closing, but that seldom happens without some sort of financing involved. In many business sales, the structure is more important than the price; therefore, make sure you are able to see what needs to be done in the structure of the deal so that it doesn't become a deal breaker.

Being Flexible on the Terms

You are not going to win every point of contention. It's important to compromise when you need to, and save your battles for the most important issues in the deal. If you try to win every battle that arises, the buyer may walk away. You don't want to come off as being inflexible, and your VR business intermediary will help you understand which areas you should show some willingness to step back and accept the buyer's point.