

How Could a New White House Administration Impact the Sale of My Business?

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“Let’s Wait and See” is never a good strategy in business. Maintaining market awareness, preparing needed changes, and implementing them proactively creates momentum and distinguishes market leaders from the pack. Those who are resistant to change and growing their business place their future at risk. The same is true for owners ready to sell their business. Understanding current Fair Market Value is critical to moving forward with confidence.

In our July 2024 blog, Achim Neumann highlighted factors driving uncertainty for business owners on when to sell their business. If you missed it, read it here. <https://neumannassociates.com/mid-term-market-insights-for-business-owners/>

The elections in November drive uncertainty. However, it is important to focus beyond the next few months while considering the potential implications of a new White House Administration.

What **Will** Happen:

- The person in the Oval Office will change.
- Eleven gubernatorial elections will take place, among a total of 164 state executive seats across twenty-nine states.

What **May** Happen:

- Shifts in the U.S. Congress and Senate could lead to changes in leadership and eventual impacts on Tax and Economic Policy.
- The Regulatory environment could ease *or* complicate the process of selling a business.
- Overall market confidence may improve, enabling access to capital and investment.

What **Will Not** Happen:

- There will be no difference in the passage of time... it marches on.
- Your competitors and new entrants will not pause in their efforts to take your market share.
- Investors will not stop seeking to put capital to work in generating returns.

The biggest potential impact on business owners could be the reversion of current federal and lifetime estate and gift tax exemption amounts to pre-2018 limits, which would effectively reduce business seller tax benefits by 50%. Unless diverted legislatively, this “sunset” will occur on December 31, 2025.

During an election year, a “wait and see” attitude is prevalent, but the difference in success between leaders and followers in business is undisputable.

Key Considerations:

Every business owner encounters a series of things that eventually spark the revelation that it is “time to sell my business.”

- They have been leading their company for 20+ years, and now want to do something new.
- Others want to free up cash from their business investment to pursue other interests.
- They have built their business over decades and thought the kids would want to carry it forward but realize that they have no interest.
- Dealing with the challenges of hiring and retaining employees has become a financial and emotional drag.
- The passion for the business has gone, and it requires more effort to maintain the interest to be present.

Selling your business enables you to make a strategic move to what comes next. That may be retirement, or another investment, now, or in the future.

Now, the important points become:

- Is your business ready to sell? Do you understand its Fair Market Value?
- Can you prepare and share the financial and operational information needed by potential buyers while maintaining confidentiality, and without losing customers or employees?
- How do you find qualified buyers and deal with them while running the business?

We bring these elements together and serve as a trusted, confidential resource to you, as the business owner, through this complex process. You are the expert in your business! Our expertise is in the process of preparing you to sell and finding buyers for your business. It's what we do every day.

Change happens. Timing is everything.

About A Neumann & Associates, LLC

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