12 Ways to Not Mess Up the Sale of Your Business

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As a seller, you can contribute to a successful sale in many ways. Remember that your view of the business may differ from the potential buyer. Here are a few guidelines:

1) Be friendly and cooperative. If the buyer requests information, provide it as soon as possible. By responding quickly, you will help establish trust and thus giving the impression that your business is well managed and you have nothing to hide. Delays cause buyers to become very skeptical about the seriousness of a seller's intentions.

2) Communicate openly and honestly. Many transactions are completed because trust and good chemistry exist between a buyer and a seller. This is developed through honest, open communications.

3) Be ready to disclose sensitive information. Be prepared to discuss financial information, customer/market information, product "secrets", etc. This allows the buyer the ability to develop a deeper understanding of the operation of your business.

4) Avoid being defensive. Buyers will often ask questions that may seem a little personal, but rarely are they intended to serve any purpose other than gathering needed information for a buyer to make a decision.

5) Help the Buyer see him/herself as the new owner. Look for the potential in the Buyer and let them know they are capable of successfully managing the business.

6) Make your business a showplace. First impressions do count! You are accustomed to the "look" of your place of business, so step back and look at it through new eyes. A buyer will quickly draw conclusions about product quality and the organization of the business based upon the appearance of the facility.

7) Be candid and optimistic about growth opportunity. A buyer will view your business from the perspective of managing and improving it. There are probably several things that you could suggest a new owner do to accomplish this. Help the buyer understand these opportunities and allow them to see the upside potential.

8) Make yourself available. Once a buyer has been identified and qualified, plan meetings when you will not have the threat of canceling or being interrupted with phone calls, etc. As due diligence begins, this will become even more critical. You may think that "being busy" might cause a buyer to feel there is good business activity, but instead, they feel that you are not serious about selling. Keep appointments, make yourself available and be attentive.

9) Keep financial records current. Time kills deals. When a buyer has to wait weeks for a seller's accountant to prepare financial statements, the enthusiasm to move forward is usually lost. When the decision is made to sell your business, bring your advisors onboard with your intentions and explain that you will require their services in an expeditious manner.

10) Understand the emotional roller coaster. Whatever the selling motivation, there is almost no way to avoid the emotions you will experience as you go through the due diligence and sales process. The Buyer will also be participating in similar emotions. You may find you have to keep reminding yourself of the original reason for selling.

11) Create a team of professional advisors. Surround yourself with a "team" of qualified transactionoriented professionals who understand that your goal is to sell the business in a timely manner. Bring them into confidence early in the process so there are no surprises. Make sure they know you want their support and assistance in achieving a successful transaction. If your existing advisors are not experienced with similar transactions, your VR Broker can provide you with names of qualified transactional advisors.

12) Continue to focus on business. It is easy to let your enthusiasm about the sale distract you from running your business. It is imperative that you continue to focus on "business as usual" so that the business remains healthy and vibrant during this very critical time. A buyer wants to inherit a business that has been well managed right up until the sale is consummated. Do not postpone or ignore critical decisions.