

**60 Strategic Moves to position you and your business for the most beneficial outcome when you sell.**

**Prepare Your Business for Sale**

Strategic Move #1: Understand the key characteristics of the potential buyers for your business to help target your sales approach.

#2: Identify the most likely type of buyer for your business early in the sale process.

#3: Make an early decision as to the planned method of sale of your business in order to properly position it for sale.

#4: Prepare yourself for selling your business as carefully as you prepare the business for sale.  
Be absolutely sure you want to sell!

**What Is Your Business Really Worth?**

Strategic Move #5: Establish a benchmark valuation of your business before you change anything or offer it for sale.

#6: Reconstruct the income and expense statements to show the maximum cash flow available from your business.

#7: The best time to sell your business is probably the exact time you do not want to sell it.

**Enhancing the Sales Value of Your Business**

Strategic Move #8: Maximize your business's net operating profit in the one or two years prior to a sale even at the expense of higher income taxes!

#9: Ensure that your business's operating ratios are as good as or better than others in your industry!

#10: Evaluate all leased and financed assets for possible conversion to owned assets to increase your business profitability.

#11: Carefully evaluate all ongoing service and material contracts with the objective of reducing their cost by at least 10%.

#12: Evaluate the business's physical plant for innovative ways to decrease expenses and increase income.

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#13: Evaluate every employee position relative to cost and the value added to your business.

#14: Evaluate all your business office equipment for efficiency, productivity and cost-effectiveness.

Strategic Move #15: Evaluate all production-related equipment for cost-effective contributions to your business's bottom line.

#16: Get rid of all those expensive owner "perks" that could rob your business of its selling value.

#17: Remove all product and service dinosaurs that do not contribute to overall company profitability.

#18: Put yourself in a buyer's shoes to anticipate, eliminate or neutralize any concerns that they may have about your business.

#19: Remember Sales and Marketing 101: Be sure to give a potential purchaser a good reason to buy your business.

#20: Make sure that your company is properly organized to facilitate the sales process.

### **Financial and Tax Consequences of Selling Your Business**

Strategic Move #21: Work toward an all-cash deal if possible, but be willing to finance the sale if necessary.

#22: Carefully estimate the amount of cash you will need to take as a minimum at the time of closing.

#23: Accept the fact that you will most likely have to finance at least part of your business sale and plan accordingly.

#24: Consider taking the buyer's corporate stock in partial payment for your company.

#25: Consider taking an earn-out to boost the ultimate sales price of your business or to resolve a negotiation impasse.

#26: Assist the buyer with third party financing in order to help sell your business for cash.

#27: Carefully plan your business sale structure to minimize the income taxes you will pay.

#28: If you do not already have an estate plan, you owe it to yourself, your business and your family to put one in place now.

#29: Consider selling your business real estate separately from your company.

### **Succession Planning for the Family-Owned Business**

Strategic Move #30: Transfer ownership in your business to a family member with much the same business considerations you would use in a sale to a stranger.

#31: Develop a written strategic plan to address the long-term business issues of your company.

#32: Develop a valuation for your family-owned business transition using tax minimization criteria as your primary concern.

#33: Develop a detailed, written Strategic Transition Plan to smooth the succession process in your family-owned business.

#34: Establish a professionally developed estate plan to minimize the inheritance taxes on the transition of your family-owned business.

#35: Strongly consider forming a Family Limited Partnership; a very favorable way of transitioning ownership in a family-owned business.

#36: Consider using a private annuity to transfer ownership in a family-owned business when your continued income is a primary issue.

#37: Develop a Financial Transition Plan for your family-owned the business to extract your wealth before succession.

### **Choosing Professional Advisors and Representatives**

Strategic Move #38: Choose your professional representatives and advisors for your business sales team very carefully; they can make or break the deal!

#39: Be very wary of the deal-killing lawyer who may think that they have your best interests at heart.

#40: Selecting the right accountant to properly structure your business sale is crucial to maximizing the value you receive and avoiding later problems.

#41: Use a broker/intermediary to represent you in your business sale. Going alone could be very hazardous to your wealth.

#42: Consider an independent business valuation as a sanity check against everyone else's opinion.

#43: Involve your commercial banker in your business sale from the very beginning of the process

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## **Preparing an Exit Plan**

Strategic Move #44: Develop your business sale information with the highest degree of ethics and full disclosure of pertinent facts to ensure an orderly and successful sale.

#45: Prepare a written exit plan from your business as far in advance as possible and well before you actually put it on the market.

#46: Establish a logical and convincing reason for wanting to sell your business, both for a buyer and for yourself.

#47: Target the type of buyer most likely to purchase your business and customize your marketing efforts accordingly.

#48: Maximize your business sale possibilities by focusing on the most likely method of sale.

#49: Determine a realistic timeframe to adequately prepare and sell your business.

#50: Optimize the opportunity to sell your business by increasing profits and reducing risks before you offer it for sale.

#51: Lock in a long-term lease for your rented business premises before you offer the business for sale.

#52: Select a team of professional advisors and marketing representatives dedicated to selling your business.

#53: Establish a reasonable and flexible price range for your business, including conditions of sale that will encourage negotiations.

#54: Wrap up your key managers and key employees with employment contracts or other incentives before you offer your business for sale.

#55: Do not keep your plan to sell your business such a secret that you exclude those that need to know.

#56: Document the history and project of the future of your business. Tell the story of your company and where you think it's headed.

Strategic Move #57: Prepare "The Book" as a sales prospectus for your company with as much attention to detail as if you were launching a new service or product line.

#58: Develop a negotiation game plan to follow for the sale of your business.

#59: Plan how you will handle the proceeds from the sale of your business. Money is always easier to make than it is to keep.

#60: Maintain a strong sense of optimism and a keen sense of humor throughout your business preparation and sale process. You will surely need it!