

## The complete guide to selling your business

You've spent much of your working life building your business. You have put in the hard work and your business has delivered for you. It's been a source of elation, frustration, good times, tough times; it's funded your children's education and some memorable overseas holidays; a string of properties and an investment portfolio, a boat and perhaps an aircraft or other indulgence; you have made lifelong friends, both through the business and with many of the people within it.

As much as it's been a huge part of your life and a virtual family member, in a moment of clarity, such as after returning from another great holiday, you come to the realisation that it's now time to hand it on.

You realise you could become the virtual handbrake, more concerned about dividends than growth, more interested in pulling out cash than reinvesting it; your business runs the risk of losing its momentum as the enthusiasm of staff slowly extinguishes as opportunity after opportunity they put forward is rejected or deferred.

You have developed other interests and perhaps the business no longer excites you as it once did.

You have friends and colleagues whom have already sold their businesses and are calling for you to spend some time with them on other activities. You may have lost some friends who left it too late to make the move and, alas, time caught up with them.

Now to sell your business.....many questions and fears flash through your mind. You want to optimise your outcome from the many years of work you have put into building the business. There are a few key risk areas to be managed. The obvious concerns are losing staff or customers during the process, distraction and disruption.

***There's way too much to tell you than can be included in this article. So each heading in italics is a reference to an article already written and available for viewing or download from Supertrac's website under the heading 'Bulletin and Articles'. These have been written by Supertrac's team members over many years the business has been actively assisting thousands of business owners and purchaser through more than \$400M of sale/acquisition processes.***

The answers to most of your questions are contained in articles on Supertrac's website.

Starting with:

*"Why would you sell?" "Exiting your business" "The Big Transaction" "Reasons to sell"*

If you're still actively involved in your business....

*"The owner operator dilemma – how to get out of your business"*

For advice with staff and customers, refer to a Supertrac article *"Who do you tell when you're going to sell"*.

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The next question: Who will buy it? See articles:

*“Selling your business – who are the purchasers?” “Motivations of purchasers” “Profile of buyers” “Purchasers and risk” “Size matters when you want to withdraw” “The perfect match” “The real sale process”*

What is the business worth? The feast of relevant articles are:

*“Valuing a business for sale purposes” “Choosing the sale price” “Factors affecting the sale price of a business” “Pricing a business for sale” “Pricing and the anchor effect” “Why add back depreciation”*

Is my business ready for sale?

*“How to prepare your business for sale”*

How will the process be managed?

*Supertrac provides a Divestment Proposal setting out costs, terms and conditions of the divestment engagement – contact Supertrac for a copy of this package.*

What’s involved with the marketing process?

*“Marketing a business” “Tip of the iceberg – more to the sale process”*

How long will it take from start to finish? *“8 days to Settlement”* is an article is about a \$6M transaction that set a speed record.

Are there things that should be done to optimise the outcome financially and in other ways?

Some technical stuff:

*“Apportioning the sale price” “Basic contract terms” “Privacy when selling a business” “Restrictive covenants” “Vendors lease liability” “What to do with your records”*

At an early stage, owners will turn to a business colleague or financial or legal adviser, or all of these. This is why more than 80% of Supertrac’s clients are referred by accountants or lawyers, bankers, former Supertrac clients or purchasers.

As you become more advanced in your planning, you may start to question whether you have the right team for the transaction.

You wouldn’t want or expect your local GP to perform brain surgery on you or a loved one. Your GP would kindly refer to a specialist where appropriate and stay involved during and post procedure.

Encourage your accountant and lawyer to have the best team for the task. See articles:

*“About your advisers.....a fireside chat” “Help your adviser help you”*

And when your sale is done:

*“After the sale” “Retirement – Stepping off” “Retiring business owners”*

If you’re buying instead of selling, then there are also many reference articles for you.

If you’re neither buying nor selling, then there are also articles on tips for improving your business. Enjoy!