



Hyde House Consulting & Broking – Advice for Business Owners

Common Mistakes To Avoid When Selling A Business.

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Please Don't Make These MISTAKES!

1. **Don't rush to market your business** before understanding its potential value. Don't undervalue or overvalue your business. Beware of unprofessional brokers inflating the potential value of your company to secure your business.
2. **Don't begin the process without understanding what is involved** talk to professionals ask what is involved and work with professionals to discover what help you need.
3. **Don't tell everyone!** Making public your intention to sell your business can cause upset to the business both internally affecting management and externally affecting customers.
4. **Know when to market your business**, it is good practice to set your self an exit date and allow yourself sufficient time to find the right buyer and perhaps more importantly the right price.
5. **Don't take your eye off the ball.** If you are thinking about or in the process of selling, leave the intense and complicated process to someone else whilst you concentrate on running your business.
6. **Don't mislead potential buyers or your advisors.** Anything said in the run up to a sale will be found out and potentially will 'cost' during due diligence.
7. **Don't underestimate your personal value to the business.** Think about your exit strategy, your continued help during the transition of ownership can greatly improve potential buyer's confidence. This added confidence can increase the value of your business and provide you with a salary until the business and the new ownership are ready for you to stand down. Be prepared to be flexible.

8. **Don't pay your advisors too much or too little.** Make sure you are not signing a percentage of your business away to a broker to simply place a vague advert in an inexpensive publication. Make sure your broker is going to proactively seek a buyer for your business and manage the process, liaising with other professionals such as accountants and Corporate Finance firms. At the same time remember that you will get what you pay for. Make sure you receive value for money from your broker by understanding the process and roles.
9. **Choose the right advisor.** Ask about your broker's recent successes, the size range of businesses they have sold and how many businesses they have on their books. Remember a broker who has lots of businesses on their books isn't necessarily more successful indeed they may not be able to sell them and will be sitting on 'old stock'. Remember also that if you deal with a larger Broker, you are less likely to work with a dedicated professional intimate with your business, and dealing personally with you on a day to day basis.
10. **Fail to prepare your business for sale.** There are many things business owners can do to maximise the value of a business in preparation for sale. A good broker will have a great deal of general business experience and will be able to advise on how to improve your marketing, manage business assets and prepare the management team for exit at maximum value.

Ask your broker; what can I do to improve the value of my business?

Call or email Barry Parsons for a free consultation.

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