

Ready to sell your business ?

You have finally decided that the time has come to sell your business!

The questions that often come up among business owners who want to sell their businesses are:

- ✓ « *Can I do it myself or do I need a business broker?* »
- ✓ « *Is selling my business with a business broker a good idea?* »

Many business owners are confident to master the sales process, and therefore the transfer of a business.

Whatever your reasons for selling (retirement, other challenges...), here are the 3 major mistakes to avoid!

Error 1: The owner decides to handle the sale alone to save time and money.

When a business owner decides to personally handle the sale, it is essentially for two reasons: it will save time and especially money. In general, these two assertions are nothing but illusion and mirage!

Often, the owner who sells his business thinks that he will pay the business broker's fees. That's not quite right! The business broker receives a fee in the form of a commission on the sale, the percentage of which is pre-established between the two parties involved. The seller does not have to pay anything, just to benefit from the services of an expert in business transfer. Moreover, very often as a first step, the business broker will generally organize a confidential consultation with you at no cost. This will give you, as a seller, an insight into the suitability of the broker to arrange the sale of your business.

In addition, a business broker has the network to sell your business through a confidential marketing process. This involves, among other things, the creation of a "teaser" (short presentation document), which details some basic information about the company but does not disclose the company's name or its location. Because of his experience, the business broker has developed over the years a wide local and international network of buyers; something you, as a business owner, do not have!



Error 2: The business owner decides to set the sale price alone without conducting a financial and accounting valuation of the business.



Setting an optimal selling price that reflects the fair market value of the business is not an easy task. It's not just the amount of revenue that determines the value of a business, as many owners seem to believe. This method is flawed; it will never reflect the real value of the company.

For a reliable assessment of a company, many criteria must be taken into account, such as financial indicators (BAIIA, SDE, etc.), industry, available assets, future cash flow, working capital requirements, growth potential, etc. The licensed business broker has the skills, experience and tools to make this assessment. One of his tasks will be to identify the financial, organizational and operational factors that can increase the value of your company, before your departure and to decipher what the market is willing to pay.

Error 3: Every owner is necessarily a good negotiator!

In addition to having a large network of potential buyers, a good business broker masters the art of business negotiation. Indeed, knowing how to negotiate is an essential skill in the business community.

During this negotiation phase, the broker will have to manage the relationship between the seller and the buyer in order to agree on a good price for the sale of the business.

Moreover, an experienced broker has the expertise to start a bidding war between potential buyers. This competition between buyers increases your leverage, helping you as a seller to get the best price for your company.

Further, before making an offer, any buyer will perform due diligence on the company of interest. Once again, the business broker is able to advise and guide you, as a seller, during this stage. The business broker's objective will be to ensure a cordial collaboration between you and the buyer during the transfer of the business, while protecting your interests!

Are you still sure you want to sell your business alone?

