



# Personal Motives and Business Conditions to Consider when Exiting a Business

If you are like many owners, you have spent numerous sleepless nights staring at the bedroom ceiling endlessly speculating about and weighing the outcomes of the answer to one question: "Should I sell my business now?" If you have finished your deliberations, have resolved all of the questions and are prepared to move directly to the sale process, then call our offices today and we will help guide you through the process of preparing your business to sell it for top dollar.

But, if you are still pacing the floor with the rest of us, then I encourage you to read the remainder of this article, which discusses the personal and business conditions that need to be taken into consideration when you decide to cash out of your business and move on to the next stage of your life.

Most owners consider selling their businesses when two decision paths converge. The first path is the subjective or personal decision to sell: it is time to sell because personal goals can now be met better by selling the business than by staying active in it. The second path is the objective or business decision: both the Merger and Acquisition Market and your company's readiness make it the right time to sell.

## Personal Motives

The personal decision to sell is usually based upon some combination of the following:

- A desire to "take the chips off the table." Your tolerance for risk just isn't what it used to be.
- The joy of going to work each day is fading. Not only has the fire in your belly gone out, but it's been replaced by the desire to do "something else," known or unknown.
- The "Successor Designate" can't or won't succeed. Neither child nor employee is able or willing to fill your shoes.
- You realize that now is the time to sell because you can attain financial security.
- There are a lot of activities other than running a company that you still want to experience.



**Steven Baldo**  
[stevebaldo@coresbs.com](mailto:stevebaldo@coresbs.com)

**CORE Strategic Business Solutions**  
[coresbs.com](http://coresbs.com)

Offices of GCW Capital Group  
38 Lake Street  
Hamburg, NY 14075  
[\(716\) 648-2412](tel:(716)648-2412)

If one or more of these reasons resonates for you, don't be surprised. This list is a representation of what many business owners have felt as they approached the difficult decision of whether the time is right to sell their businesses. If you would like to discuss your personal motives as they relate to your business exit, please contact our offices today. We can help guide you through the process of creating a comprehensive Exit Plan that takes into consideration all of your personal motives.

## Objective Conditions

Along with personal motives, there are objective conditions that should be present to maximize your chances for a successful business sale. These conditions should be opportune in both the Merger and Acquisition Market and in your company for you to sell for top dollar.

- **Your Company's Business Condition.** On a regular basis (no less than annually), you should discuss your current business value with your planning team and how best to increase and protect it.
- **The Current M&A Market.** For owners who toil long and hard to overcome the endless challenges that test the survival and success of their businesses, the thought of someday selling out for a lot of money seems, at best, a wild dream. Yet, as many owners are discovering, the Merger and Acquisition marketplace can be receptive to acquiring closely held businesses. A number of factors fuel or dampen the Merger and Acquisition mania.

## A Final Word

Owners make the decision to sell based on a mix of objective and subjective factors that can be tempered by market realities. Selling can make all the sense in the world, but you still may not want to sell if you can't reach all of your objectives or if financial security is subordinate to other objectives. It's important to remember that at the end of the day, the decision to sell is yours.

If you have any questions about identifying when you should sell your business, please contact us to discuss your particular situation. We can help guide you through the process of reviewing all of the factors associated with exiting your business and creating a comprehensive Exit Plan that addresses all of your personal and business objectives.

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