

Selling Your Business in the Future? Position it For Sale...Now!

By

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It is a fact of business life that, at some time, a business owner is going to move on to other endeavors. In some cases, personal or business circumstances make a quick exit necessary.

In anticipation of this, business owners are well-advised to begin positioning their businesses for sale now. Here are some of the things that you can do to enhance the value of your business in the resale market:

- Strive for success so that your gross income and adjusted net incomes are consistently rising. If you wait until the numbers are going down, your business will be worth less (if not worthless).
- Clean up your back office operations. Sloppy bookkeeping is a detriment. If a buyer is unable to analyze the numbers because your bookkeeping is careless, messy or sporadic, then the prospective purchaser will either lose interest or discount his or her offer accordingly.
- Develop and maintain the quality and quantity of your customer list. In a small business, where hard assets are often of minimal value, your customer list is worth the weight of the gold that you hope to get for the business.
- Ensure that your business is held in the highest regard and that your reputation for quality, service, value and ethical operation is exceptional. These intangibles are the “goodwill” that will make up such a substantial part of your selling price.
- Understand how your business is valued so that you can go into a sale transaction with realistic expectations.

In summary, an established, ongoing business can have significant resale value if the owner makes it a priority to maintain the business in a saleable condition. Business brokers who are affiliated with and certified by professional organizations such as The International Business Brokers Association (www.IBBA.org) can be especially helpful in issues dealing with the sale of your business.

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