Field-proven results in business sales and acquisitions

Around the Web: A Month in Summary

A recent article from Divestopedia entitled "To Sell Your Business, Start with the End in Mind" explains the importance of planning your exit strategy in the early stages of your business. The article points out that emotion plays a big part in humans' decision making process, and when a potential buyer perceives that the owner has not prepared a company for sale, they associate this with uncertainty, effort and stress that will accompany rebuilding the business.

Focusing on building your company's culture is also very important for exit planning because a well-established company culture will continue to endure after you're gone. Creating a self-sustaining culture that involves talented employees, succession plans for key people, talent acquisition and talent retention can help your business be seen as more valuable in the future.

Click here to read the full article.

A recent article posted on BizJournals.com entitled "How to know when the ride is over and it's time to get off" gives an overview of how to know when to exit your business and how to be prepared when the time is right. Here are 4 signs that it might be time to sell your business:

1. Your health is declining or your business is negatively affecting your health
2. You've lost your passion for the business
3. Your priorities have changed and the business is no longer your top priority
4. You are hesitant or unable to invest money in the growth of your business

Business owners should periodically review these factors and ask themselves if they are still the right person for the job. It's also good to consult with a trusted advisor to start planning an exit strategy now so you're prepared when the time comes to sell all or part of your business.

Click here to read the full article.

A recent article posted on Forbes.com entitled "Business Value And Lottery Tickets" explains how you have to be realistic about your goals for your business especially in how they relate to your exit plan in the future. Take a look at how your business is doing and then quantify your goals for your business by asking yourself questions such as "How much money do I need to have when I leave my business?"

Next, you need to figure out a plan for your business to grow enough to reach those goals. The article states three common problems that owners have in this situation:

1. Relying on assumptions instead of consulting with an exit-planning advisor
2. Trying to do everything instead of delegating
3. Remaining stagnant instead of taking on new roles to ignite change in the business

It is also important to have a good management team in place to help you achieve your goals. It's not luck, and you have to look at the numbers and facts to get your business where you need it to be for a successful exit.

Click here to read the full article.

A recent article from the Axial Forum entitled "How to Handle Risky Customer Concentration in an M&A Target" explains the best practices to follow if a potential acquisition has a lot of customer concentration. In many companies, it's common for 20% of customers to account for 80% of the company's revenue. In this case, it is vital to talk to multiple people within these important accounts and ask a variety of questions to make sure you find out how their relationship with the company is really structured.

Most importantly, you want to ask the contact how likely they would be to recommend the target company to another colleague, which in turn will help you determine the Net Promoter Score (NPS) rating of the company. The NPS is very useful because it has statistically shown that higher rated companies are more profitable, outpace their competitors, and have stronger cross-selling opportunities.

It's a good practice to look deeper into a company's relationships with its customers when acquiring a business that you'll want to eventually grow.

Click here to read the full article.

A recent article posted on The Standard entitled "Do you have a business you are eyeing? Consider these tips before taking the leap" explores a variety of factors to take into consideration before buying a business. Here are some things to think about when making the decision to buy:

1. Evaluate yourself and make sure you have the skills to take on the specific type of business
2. Find out why the business is being sold
3. Carry out due diligence in screening the business so there's no surprises along the way
4. Obtain a professional valuation of the business
5. Close the deal and consider using a legal officer for the final process

Always be sure to find out the good and the bad before you decide to purchase a business.

Click here to read the full article.

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