

## Evaluating Your Company's Weaknesses

The time you spend evaluating your company's weaknesses is, one of the single best investments you can hope to make. No one should understand your company better than you. But to fully understand your company, it is essential that you invest the time to understand your company's various strengths and weakness.

Your company, from the beginning, has been an investment. It's an investment in your time, your mental energy and, of course, your financial resources. The time and effort you expend to locate, understand and then fix your business' weaknesses is time very well spent. Addressing and remedying your business' weakness will not only pay dividends now, but will also help get your business ready to sell. Let's turn our attention to some of the key areas of weakness that can cause some buyers to look elsewhere.



### **An Industry in Decline**

A declining market can serve as a major red flag for buyers. You as a business owner must be savvy enough to understand market situations and respond accordingly.

If you spot a troubling trend and realize that a major source of your revenue is declining or will decline, then you must branch out in new directions, offer new goods and/or services, find new customers and also find new ways to get your existing customers to buy more. Taking these steps shows that your business is a vibrant and dynamic one.

### **You Face an Aging Workforce**

It has been well publicized that young people are not entering the trades. Many trades such as tool and die makers will be left with a substantial shortage of skilled workers as a result. technology will replace some of these workers.

If your business potentially relies upon an aging workforce then it is essential that you find a way to address this issue long before you put your business up for sale.

### **You Only Have One Primary Product**

Being a "one-trick pony" is never a good thing, even if that trick is exceptionally good. Diversification increases the chances of stability and can even help you find new customers. Additional goods and services allow you to weather unexpected storms such as a supply chain disruption while at the same time provide access to new customers and thus new revenue.

## The Factor of Customer Concentration

Many buyers are concerned about customer concentration. If your business has only one or two customers, then your business is highly vulnerable and almost every prospective buyer will realize this fact. While it is an investment to find new customers, it is well worth the time and money.

An M&A Advisor can help you evaluate your company and, in the process, address its weaknesses. Remediating your businesses weakness before you put your business up for sale and you will be rewarded.

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