



# A general guide to the sales process

When you come to the decision that it's the right time to sell your business, there are a number of points you need to consider.

Selling your business may be the biggest sale you ever make. However, it works in exactly the same way as any other sale you make. You need to think about what any potential buyer(s) will want to know. What information will present your business in the most positive way? Some minor details may seem insignificant but can make all the difference particularly during the legal part of the process.

At **yourbusiness** we offer a comprehensive and unique business sales package that is integrated with the Legal elements. All too often deals are done which grind to a halt when they land on a Lawyer's desk. This is often blamed on the Lawyer but the underlying reason is often that the business has not been properly prepared for sale.

The **yourbusiness** approach is different because we use legally qualified and experienced people to prepare the details of your business ready for a Buyer. You will often hear about the 'Due Diligence' process which is basically the Buyer and/or funder 'checking out' the financial and legal aspects of the business. If you know what you are going to be asked for you can prepare properly so that when a Buyer comes along the whole process is quicker and easier. Our team has many years of experience in dealing with the sale of businesses from multi-million pound companies down to sole traders. This is the skilled and unique approach which makes **yourbusiness** different.

We have a number of services available, although our standard service includes the legal fees\* of a Solicitor appointed on your behalf from our panel. If you use this service, when we find a Buyer you will be ready to sell with all reasonable 'Due Diligence' being in order.

We can also present your business to prospective funders to make sure they are happy to lend money to a Buyer to buy your business. When a Buyer comes along they may well take advantage of such funding to make the process quicker and easier.

To ensure you obtain the best price for your business there are a number of points that you will need to consider, please see details of our comprehensive appraisal overleaf.



Before selling, consider the strategic aspects of your business. Our comprehensive appraisal will cover the following aspects:

## Business Plan

Do you have an up to date Business Plan?

## Marketing

How well do you meet customer needs? How well do you market your business, could this be improved?

**Positioning** – What is your current position in the market sector?

**Customers** – Who are your key clients? How well established are the relationships?

**Suppliers** – Do you have close relationships with your Suppliers? How unique are they?

**Brand Equity** – How strong is your Brand? – A brand can often be the most valuable asset a business has.

**Market sector** – How stable is your market sector?

## Human Resources

**Staff** – What is your current staffing level? Do you have all their details recorded?

(Length of service, salaries etc)

**Compliance** – Do all staff have contracts of employment?

## Finance

**Cash Flow** – How strong is your cash flow?

**Margins** – How stable are your margins?

**Debtors** – How long do customers take to pay?

**Profit** – Are you as profitable as you could be? Could profitability be improved?

**Taxation** - Have you had specific divestment Tax advice, both for the company and as an individual?

**Ownership of assets** - Do you have the right licenses for your software or other IP and assets? Have loan arrangements been reviewed?

**Private assets** - Have you removed assets such as cars?

Will outstanding loans within the company be settled?

**Accounts** – You will need 3 years accounts.

## Operations

**Contracts** – Do you have any trading and agency agreements in place?

Can they be transferred?

**Litigation** – Are there any outstanding legal matters, either for or against the company?

**Environmental and health and safety** - Do you possess all the licenses necessary to comply with regulations?

Do your premises raise environmental concerns?

## Copy Documents

Any information you give will have to be backed up by documentary evidence. Therefore you must have this ready.

All of the points above will be considered by any potential buyer and therefore we need to ensure that there are no unanswered questions and all the relevant information is available. If any areas of weakness are identified our specialist expertise will help you resolve any issues and market your business for the best price possible.

\*disbursements will be charged at cost in addition to our fees

