

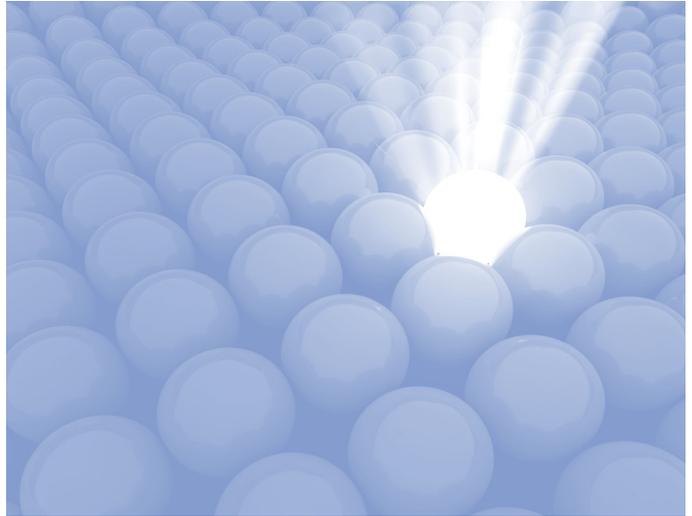
## FIRST STEPS TO PREPARING FOR A BUSINESS SALE

When you first begin to consider selling your business, think about what an acquirer will be looking for.

You'll be entering a very competitive market so your business needs to stand out amongst the other companies they will be considering.

A key point to bear in mind is that buyers don't like risk! If elements of your business represent a risk to a buyer, this will be reflected in the price offered.

By looking at your business with a "buyer's eye" you will be able to make changes, sometimes quite small changes, that will improve the saleability of your business and increase its value on sale.



Here are a few pointers:

- Ensure your business is not reliant day to day on you. Can it run with-out your close involvement? Have you established a robust Management Succession plan?
- Be familiar with any unusual numbers or trends in the accounts.
- Consider the weaker areas of your business. It's conversely an opportunity for a new owner or investor to exploit in the future. If there is great potential, outline what it is, put some figures against it for say the next 3 years. Talk confidently about the future prospects of the business.
- Be prepared to minimise the investor's perceived 'risk' by remaining on post-sale for an agreed period, to oversee a smooth transition.
- Be open and flexible to deal negotiations. There are as many deal structures as there are deals. Each one is unique.
- Make sure that your forecasts for the year are being borne out by the actual performance. If they don't, ensure you are confident talking about the reason(s) for the disparity.
- Above all else, communicate to an investor that you have a choice. No buyer likes to be in competition.



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SELLING YOUR BUSINESS FOR ALL IT'S WORTH