

Selling your Business?

Questions and Answers about using a *Business Adviser*

When business owners think about selling their business, they typically have more questions than answers. The decision to sell is never easy. It is a highly personal one that takes much thought and uncovers many questions. But once the decision to sell is made, there are people – professional Advisers – who the seller can turn to for answers and who can help make the transition smooth and successful. Here are answers to some of the questions most frequently asked about selling a business.

What is a *Business Adviser*?

A group of professionals who specialize only in helping people buy and sell businesses. In Georgia, they must be licensed. They are trained in evaluation and pricing a business, qualifying and working with prospective buyers, negotiation, and most important, structuring the transaction. Many *Business Advisers* have a background in either owning or managing small to medium sized businesses.

Are Real Estate Agents also *Business Advisers*?

Some profess to be, however, no they are not unless experienced in many phases of business operations. They should maintain business acumen far different from a typical Real Estate agent. Real Estate agents sell real estate, while *Business Advisers* sell only privately held companies. The techniques of pricing, selling and putting together the business transaction are altogether different than selling a piece of real estate property alone.

What are the advantages of using a *Business Adviser*?

There are a number of advantages to using a professional *Business Adviser*. They work closely with a client to help get the business ready for sale. They pull together the necessary records, making recommendations, improvements and working with the owner to bring about a successful sale. A professional *Business Adviser* can save an owner time and money in searching for and qualifying buyers; maximize exposure to numerous qualified buyers; handle the advertising of the business; properly position the business in the marketplace; maintain confidentiality so that employees, competitors and customers do not know the business is for sale.

In addition, a *Business Adviser* can provide three advantages which an owner can not provide for himself:

1. *Knowledge*. An owner can not be expected to know all the nuances of financing, where to advertise, how to keep the sale confidential from customers, employees, etc.
2. *Follow-up*. Selling a business requires constant follow-up with buyers to make sure they are moving ahead and not getting “cold feet”. A *Business Adviser* can keep in close contact with a buyer without the selling position of the owner.
3. *Synergy*. Our statistics have shown that approximately one in 90 potential callers on a particular business ad buy that particular business. Only 30% even buy the type of business they initially investigate. Most buyers are not sure of

the type of business they want to buy. By working with a *Business Adviser* prospective buyers will be exposed to a businesses they hadn't before considered – but that

could be perfect for them! So, *Business Advisers* can expose a business to a whole new set of qualified buyers.

Why not sell the Business myself?

Most owners find that the frustration, expenses and time involved do not yield cost savings. In fact, because they don't have access to a large number of qualified buyers, many owners end up selling their businesses for much less than they could have through a well-established *Business Adviser*. Selling a business is a specialized function. Just as you would not want to attempt your own legal or accounting work, you should seek professional assistance when it comes to selling an asset as important as your business.

How do you price the business?

Helping to price a business is one of a *Business Adviser's* most important roles. The *Adviser* considers the market area the business is in and then compares the business to similar companies that are selling in the market. The *Adviser* also looks at the cash flow in the business and, taking a buyer's perspective, determines what someone could afford to pay for the company.

How does a *Business Adviser* work?

Similar to a real estate Adviser, a *Business Adviser* works with a signed listing agreement which states that it is a Sole and Exclusive Agreement and that the *Business Adviser* earns his fee upon the sale of the business. Without a Sole and exclusive arrangement, a quality *Business Adviser* would not be willing to put in the considerable time and expense needed to professionally market a company.

What is the first step?

Even if you are still undecided about selling, you should contact a professional *SBG Business Adviser* as early as possible in your consideration. They can set an appointment to visit the business and give you their impression about establishing a realistic price range, obtaining the appropriate paper work, and getting familiar with the business operation to position it in the marketplace. Please give us an opportunity to meet with you personally.



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