

# Steps to Selling a Business

Selling a business doesn't have to be overwhelming — but understanding the process ahead of time can make it much smoother, protect your value, and reduce stress. Here's a clear outline of the typical steps involved.

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## 1. Initial Contact

- The first conversation is about understanding your goals, timeline, and priorities.
- You get to share your story and explain what matters most — employees, customers, and legacy.
- This step is low-pressure and sets the tone for the rest of the process.

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## 2. Confidentiality Agreement (NDA)

- Before sharing detailed financials or sensitive information, buyers usually sign a non-disclosure agreement.
- This protects your business, employees, and customer data.
- Ensures conversations remain private and professional.

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### 3. Preliminary Review / Small Due Diligence

- Buyers review high-level information: revenue trends, key contracts, and operational overview.
- With **individual buyers**, this step is often quicker and simpler — they focus on understanding your business and its potential.
- Strategic and financial buyers may still request detailed records at this stage, but the process is usually lighter than the exhaustive due diligence later.

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### 4. Price and Terms Discussions

- This is when value is negotiated. With **individual buyers**, negotiations tend to be straightforward and flexible — aimed at creating a win-win that protects your legacy and your employees.
- Strategic buyers may push for aggressive terms to maximize synergy benefits.
- Financial buyers often structure deals to achieve maximum ROI, which can be complex.

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### 5. Letter of Intent (LOI)

- A formal document outlining the proposed purchase price, structure, and key terms.
- Signals serious intent from the buyer while giving you clarity on the next steps.
- For individual buyers, LOIs are often concise and easy to understand; with strategic or financial buyers, LOIs can be more detailed and restrictive.

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## 6. Full Due Diligence

- Buyers review everything: financial statements, operations, legal documents, employee agreements, contracts, and more.
- Strategic and financial buyers conduct **exhaustive due diligence**, which can take weeks or months.
- Individual buyers often streamline this process, focusing on key elements while respecting your time and minimizing disruption.

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## 7. Final Negotiations & Closing Preparation

- Any final adjustments to price, terms, or contingencies are handled.
- Legal agreements are drafted, including purchase agreements, asset transfers, or lease arrangements.
- Sellers are guided through the paperwork and any operational transition plans.

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## 8. Closing

- Funds are transferred, ownership officially changes, and transition plans are executed.
- A smooth handoff ensures employees, customers, and operations continue without disruption.

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## Additional Notes

- **Transition Periods:** Many individual buyers value a **handoff period** where you can stay involved for training and continuity — this reduces risk and preserves your legacy.
- **Communication:** Keeping employees and customers informed in a thoughtful way maintains trust and business value.
- **Flexibility:** Individual buyers often allow creative deal structures, including owner financing or phased transitions, to make the process easier for you.

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## Key Takeaway

Selling a business is a journey — but it doesn't have to be overwhelming. Understanding each step, the potential challenges, and the options available helps you **protect value, employees, and customers.**

Even if you're just curious about your options, **a conversation with an experienced buyer can provide clarity, guidance, and peace of mind** — helping you make the right choice at the right time.