

Strong Selling Points Let Your Strengths Work for You

“Independent business owner” is a phrase with two meanings. Of course, it means being the owner of an independent business. But another way to look at “independent business owner” is to let this phrase define the very personality of the person at the helm. Independent. Confident. Self-assured. Strong-willed. These are vital entrepreneurial attributes, but, ironically, they can sometimes work against the business owner when it comes time to sell.

Since business owners are the type who know about selling -- either products or services-- and about making deals -- haven't they had to cope with suppliers, customers, and competitors throughout their business careers? -- it's not surprising that owners approach selling their businesses with these tried-and-true tactics and ideas. Sellers who have spent years building a business are often unaware of how completely different the process of selling a business is.

Savvy sellers, realizing the importance of a selling approach equal to this very important task, will depend on the guidance of a business intermediary. With professional guidance, sellers can benefit from their personal strengths instead of letting them get in the way of the selling process. The following “strong” selling points are signposts on the road leading to a successful transaction.

Price Your Business To Sell

Sellers are good “business people;” they naturally are after the best possible price for their business. Realistic pricing is perhaps the most important factor in selling from a point of strength. Understanding the marketplace, up-to-the-minute and not some high mark just past or in the possible future, is key.

The pricing of a business, different from the simpler means of valuing based on goods or services, depends on industry-tested valuation techniques, with intangibles incorporated to ensure that the business will not be underpriced. The price of a business is arrived at by a variety of factors, one of the chief of which is the intensity of a buyer's interest in a particular business.

Know Your Buyer

The seller, although good at “psyching out” customers and vendors, may not be as adept at sizing up potential buyers. Some buyers are professional window-shoppers; talking a good game but never really ready to play. There are also the buyers who would play ball -- if they only knew where the action was! First locating and then qualifying buyers is a key function of business brokers. They will use computerized data bases, professional associations and other networks nationally and internationally -- all to increase the chances of selling a business at top value.

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In addition, the business broker will determine the right buyer for the right business, focusing on those prospects who are financially qualified as well as genuinely (or potentially) interested in the business for sale. As part of qualifying buyers, to take the "fear" out of the likely need for seller financing, the business broker will assess the ability of a particular buyer to run a business successfully. This invaluable work by the broker not only locates the best buyers, it also frees the seller to concentrate on his role in the selling process.

Prepare Your Business for Sale

In addition to the obvious need for the business to appear clean and cared-for, there are important steps the seller must take in advance of putting the business on the market. In most cases, a business will sell based on the numbers. Your business broker will help you create a clear financial picture -- in timely fashion -- and to prepare statements suitable for presentation to a prospective buyer. Remember that buyers may be willing to buy potential, but they don't want to pay for it. In fact, sellers should be open to about all aspects of the business that might affect the sale; otherwise, once the real facts are revealed, the deal may self-destruct.

Business owners are accustomed to coping with paperwork, but few have had exposure to the specialized contracts and forms required both before and during the selling process. The business broker, an expert at transaction details, will help guard against delays, problems, and premature (or inappropriate) disclosure of information.

Maintain Normal Operations

Another vital activity for the seller is to keep on top of the day-to-day running of the business. When a business intermediary is on hand to focus on the marketing of the business, the seller can focus on keeping daily operations on-target. Sellers are "people people," and may have visions of wooing buyers with their great presentation of the business. Even if this were to happen, these sellers fail to visualize the number of buyers they would have to "woo-and-win" if handling the sale on their own.

Confidentiality

An adjunct to maintaining the status quo is the important task of maintaining confidentiality. Until a purchase-and-sale agreement has been signed, most sellers do not want to disturb (or jeopardize) the normal interaction with customers and employees; nor do they want to alert the competition. A business broker helps by using nonspecific descriptions of the business, requiring signed confidentiality agreements, and performing a careful screening of all prospects.

To keep the sale of your business on firm ground, be sure that your "strengths" as an independent business owner aren't actually weakening the sale. Using these key selling points along with the expertise of a business intermediary will keep the process going strong.