



I'm Burned Out – I'm Selling: No So Fast!

Every business owner has those days when you have just had enough - enough of the employee problems, vendor issues, and high maintenance customers! You figure that it is time to move on and you are ready to sell.... the sooner the better. However, there are a few problems with this knee jerk reaction...have you prepared the business for sale and have you prepared yourself and your advisors for the sale?

You have put a lot of blood, sweat and tears into your company and the only way you will be able to convert that into cash when you walk out the door is if you are producing cash to the bottom line on a consistent basis. Below are a few of the items you need to review in making sure you can have your cash equations equal your top dollar when exiting.

1. Is your company in a growth mode? Does it have a 3 year or more history of stable revenue and profits?
2. Have you created a diversified customer base where no single customer represents more than 10% of your annual income?
3. Are your management and sales teams willing to stay on if you sell? Have they signed non-compete agreements?
4. Are your books clean and up to date? If you are selling off a division, do you have books and records that clearly delineate the division?
5. Are you willing to work some sort of transition period with the new buyer if necessary?
6. Have you determined what you will do with your time once you sell the business?
7. Can you afford to sell? Will selling the business place you in a desirable financial position for the next move in your overall personal financial plan?
8. Would it be better for you to hire someone to do your work in the day to day environment of the business and grow the business to sell at a later date?

These eight questions ultimately lead to the basic question – Is now the best time for the business and for you personally to sell the business? Regardless, if you are totally burned out and you cannot and do not wish to hire someone to do your work at the company, then it is time to sell. If you continue to hold on to the business at this point, sales generally go down, profits go down, and the salability of the business begins to diminish.

In your planning also remember that on average, for a middle market transaction, it will take 10 to 12 months to sell your business if you wish to get the most money for your blood, sweat and tears!

Copyrighted 2007

Capital Endeavors, Inc.

P.O. Box 895, 232 Crogan Street, Lawrenceville, Georgia 30046

Web: www.capitalendeavors.com Email: davidstill@capitalendeavors.com

Phone: 770-962-8399 FAX: 770-962-8640