



Common Seller Questions

How long does it take to sell my business?

It generally takes, on average, six to nine months to sell most businesses. Some businesses will take longer to sell, while others will sell in a shorter period of time. Gathering all the information needed to begin the marketing process is imperative and can directly impact the time line. It is *very* important that the business be priced properly right from the beginning. Overpricing your business often backfires as buyers will frequently refuse to look at an overpriced business.

Why Is Seller Financing So Important To The Sale Of My Business?

Surveys have shown that a seller, who asks for all cash, receives on average only 70 percent of their asking price, while sellers who accept terms receive on average 86 percent of their asking price. That's a difference of 16 percent! In many cases, businesses that are listed for all cash just don't sell. With reasonable terms, however, the chances of selling increase dramatically and the time period from listing to sale greatly decreases. Most sellers are unaware of how much interest they can receive by financing the sale of their business. In some cases it can greatly increase the amount received. And, again, it tells the buyer that the seller has enough confidence that the business can, indeed, pay for itself.

What Happens When There is a Buyer for My Business?

When a buyer is sufficiently interested in your business, he or she will, submit an offer in writing. This offer or proposal may have one or more contingencies. Usually, they concern a detailed review of your financial records and may also include a review of your lease arrangements, franchise agreement (if there is one) or other pertinent details of the business. You may accept the terms of the offer or you may make a counter-offer.

If you do not accept the buyer's proposal, the buyer can withdraw it at any time. This does not mean that you should accept the first, or any offer -- just that all offers should be looked at carefully.

When you and the buyer are in agreement, both of you should work to satisfy and remove the contingencies in the offer. It is important that you cooperate fully in this process. You don't want the buyer to think that you are hiding anything. The buyer may, at this point, bring in outside advisors to help them review the information. When all the conditions have been met, final papers will be drawn and signed. Once the closing has been completed, money will be distributed and the new owner will take possession of the business. For additional information please refer to the Sellers Checklist.

What Can I Do To Help Sell My Business?

Any marketing materials that you may have available are always helpful. A buyer will want up-to-date business and financial information. Work with your professionals to fully prepare the necessary documents that will be required during the sale process. Please refer to the Sellers To Do List for additional information.

What Can Business Brokers Do - And, What Can't They Do?

Business brokers are professionals who help facilitate the successful sale of your business. It is important that you understand just what a professional business broker can do -- as well as what they can't. They can help you decide how to price your business. They can find the right buyer for your business, work with you and the buyer in negotiating, and with your counsel along the way until the transaction is successfully closed.

Remember...

Gather all the information needed. Price your business accordingly as only the marketplace can determine what a business will sell for. Work with your professionals and the prospective buyer to help assure a smooth transition toward closing the sale.