

# VALUE-ADDING TIPS FOR *selling your business*

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**As a business owner, the chances are one day you will consider selling your business to which you have put a lot of time, effort and equity into growing. If you're looking to sell your business for whatever reason (retirement, finances, building another business, etc.), you will want to get the best sale price that you can for that business.**

Factors to consider are – timing, are you ready to sell and let go, why, what a potential buyer of your business wants, your business's value, your financial future and what you're going to do next.

**Numerous factors will come into play that will affect the projected value of your business and how quickly it will sell on the market.**

Regardless of when you are selling, you should look into establishing and building additional inherent value into the business to further maximise your potential sale price. Assess your business internally and externally and look for opportunities to create value that buyers will appreciate and recognise the extrinsic worth of what you are offering. However, the sooner you can put into play the better for your future sale.

Areas to consider that will add value to your business are a strong cash flow, a good history and reputation, is a business with a niche

specialisation that has room to grow, where the business is located, if it is situated in a growth industry with a competitive advantage over others in the same industry and having good staff, products and services.

Characteristics that may lower the perceived value of your business on the market include the weak financial position of the business, a small customer base and poor industry outlook, key relationships held with the owner, poor recordkeeping and selling dated products or services.

Other factors that could affect the overall sales price of your business include if the business can be easily relocated if needed (i.e. is it a business that must be conducted in a certain place, such as a central office, or can it be moved to suit the buyer's needs?)

**In summary, when it's time to sell your business is up to you. Ideally, you should be liaising with your accountant at least 2-3 years before any intended sale to ensure you get the best outcome for your success.** 

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## ABOUT THE AUTHOR

Sharee Webster is one of the directors of Holmans and is located at the Maroochydore office. Sharee is a Chartered Accountant and holds a Bachelor of Commerce. At Holmans, Sharee specialises in business structures, taxation advice, superannuation and in particular, Self-Managed Super Funds (SMSFs). She has extensive experience in providing strategic tax advice.

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