

GUIDE

Selling a Business

What Every Entrepreneur Should Know Before Selling a Business



Prepare Well in Advance

- Plan your ideal retirement and share it with family and friends.
- Optimize the net value of your business assets.
- Resolve existing delicate situations (e.g., buyout of minority shareholders, non-operational or unprofitable real estate).
- Prioritize profit by delaying certain investments.

Delegate

- Stop being a one-person show and accustom your business to operating without you to ensure a smoother transition in case of illness or absence.

Build a Trusted Advisory Team

- Accountants: To determine the fair value of your business and provide realistic financial forecasts.
- Notaries/Fiscal Experts/Lawyers: To choose the best sale scenario with well-calculated fiscal and patrimonial impacts.
- Financing and Succession Specialists: To align your expectations with realistic financing scenarios that match the business value and buyer prequalification.

Understand Your Buyer

- Understand their motivations and strategic interests to negotiate better.
- Take time to discuss and trust your instincts.
- Openly discuss your concerns with your advisors and validate your impressions.

Ensure Confidentiality

- Your advisory team will suggest confidentiality and intent letters for potential buyers to sign.

Be Honest

- Do not hide sensitive information about the business from your advisory team or partners, as this could jeopardize the transaction. Aim for business continuity for the benefit of all parties involved.

Provide Updated Business Valuations

- Regularly reevaluate your business as market conditions or your action plans change.

Consider Human Factors

- Discuss the transition with business partners, employees, and family. Prepare them for the changes.
- Think about your role after the sale and your involvement.

Content provided by SADC Laurentides. For more information, contact your local SADC or CAE.



More advice and tools for SMEs:

www.sadc-cae.ca