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Things You Should Be Aware of Before Selling Your Business

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Oftentimes, business owners assume that their ability to successfully grow their business will translate to the skills necessary to sell it off at a price they believe the business is worth. But that is not necessarily so. To get the best financial return on the sale of your business, there are many things that you need to be aware of, especially working with a qualified and [knowledgeable business broker](#). Read on to find out five things you should be aware of before attempting to sell your business.

1. Casual Valuations Are Worthless

When you decide to sell your company, there will be different people who will attempt to give you a ballpark figure of what they think your company is worth and expect that you will take the business to market on the strength of their approximation. This is a bad idea. The only valuation that will matter when dealing with buyers and banks is a well-accredited market value appraisal, conducted by a reputable and independent 3rd party [business valuation](#) firm. If you do not get this carried out before going to market, the buyer will almost always request a valuation by their own firm, which will lead to transaction delays.

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2. Your Buyer is Most Likely NOT One of Your Local Competitors

Many business owners go into the market thinking that the person who buys their business will be one of their local competitors. However, that is very rarely the case. The chances that a business owner will know or have interacted with the buyer of their business is less than 10 percent. This is because the buyer pool is much larger than you and your competition. There are many high net worth individuals who are often seeking ways to put their money to work or for opportunities to run businesses. So, widen your lens and think of more buyer options.

3. Cash Flow Reigns Supreme

The driving point of carrying out an independent, third party valuation is to determine how healthy it is in terms of its assets and most importantly, its cash flow. The business will surely have assets and if those assets carry more value than the business' ongoing concerns, then the business will be sold for a higher figure (which is the goal). It bears repeating that the valuation of the business must be done by an independent valuation firm.

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Market Data

Equities Commodities Bonds Forex

No data

Symbol	Last	Change (B)
S&P500		
NQ100		
Dow30		
Nikkei225		
FTSE100		
KOSPI		

Quotes by [TradingView](#)

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4. An "Offer to Purchase" Trumps a "Letter of Intent"

In the brokerage world, it is common for prospective buyers to send a Letter of Intent to the business owner's broker and expect that the business will be withheld from the market until they can gather the funds to purchase it. That does not fly with serious brokers or sellers.

Any serious broker will require a formal Offer To Purchase before dealings can begin. An OTP provides structure to the conversations and will most likely come with a commitment by way of deposited funds. This separates the truly interested and capable buyers from those who do not have the capacity.

5. You Cannot Do It Alone

As you will have discovered as you built a successful business over many years, no worthwhile objective can be attained without a good team. Therefore, make sure you bring together the right people to value, market, and properly negotiate every aspect of the sale to ensure it is successful.

This post was provided by A Neumann & Associates, LLC, an experienced and professional business brokerage firm Headquartered in NJ.

As a business owner, the excitement of selling off your business could lead you to overlook these issues above. It is essential that you stay mindful of them all, so that you maximize the chances of selling your business off quickly and at the best possible value.

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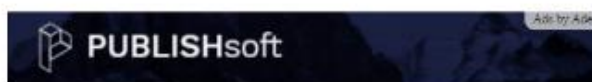


Many people think that using the stock market to build themselves an investment portfolio is out of reach to anyone except those who know the market exceptionally well, or those who can hire a stockbroker to help them achieve their goals.

However, thanks to the internet and other sources, this is now a much easier endeavor. Let's take a look at how anyone could reach their investment goals through the stock market.

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