

Ask Yourself ?

Why does it take so long to sell your business? Price and terms are the biggest reasons. It is very important not to overprice the business at the beginning of the sales process. A business will also sell more quickly if there is a reasonable down payment with the seller carrying the balance. Having all of the necessary information right from the beginning can also greatly reduce the time period. Finally, being prepared for the information a buyer may want to review or having the answers available for the questions a buyer may want answered is another key.

Here is the basic information a prospective acquirer will want to review and a seller should have prepared to help facilitate a quicker sale:

Copies of the financials for the past three years.

A copy of the lease and any assignments of the lease from previous sales.

A list of the fixtures and equipment that will be included in the sale.
Note: If something is not included in the sale, it is best to remove it from the premises prior to the sale or at least have a list that specifies which items are not included.

A copy of the franchise agreement, if applicable, or any agreements with suppliers or vendors.

Copies of any other documentation pertaining to the business.

Supporting documents for patents, copyrights, trademarks, etc.

Sales brochures, press releases, advertisements, menus or other sales materials.

In addition, here are some key questions that buyers may likely ask. A prepared seller should have ready answers and information to support those answers.

Is the seller willing to train a new owner at no charge?

Are there any zoning or local restrictions that would impact the business?

Is there any pending litigation?

Are any license issues involved?

Are there any federal or state requirements, or environmental OSHA issues that could affect the business?

What about the employee situation? Are there key employees?

Are there any copyrights, secret recipes, mailing lists, etc?

What about major suppliers or vendors?

A prepared seller is a willing seller, and having the answers to the above items can significantly reduce the time it takes to sell a business.

Using the services of a professional business broker can also greatly reduce the time period. Business brokers are knowledgeable about the current market, they know how to market a business, and they can advise a seller on price and terms. They can also recommend professional advisors if a seller doesn't have them already. Using advisors who are transaction experienced can also shorten the time it takes to close the sale.