



*The place to go to buy or sell a business.*

## 5 Biggest Mistakes Sellers Make When Selling Their Business

By Ken Higbee, Owner, Sunbelt of Detroit, Oakland & Macomb

1. Lack of Preparation: Many business owners feel that there is no preparation necessary in order to sell a business. The reality is that there is a tremendous amount of preparation necessary, and the sooner you start the greater the results. The impact is often seen both in terms of the sale price and the length of time that it takes to sell your business. Depending on the current state of your business, financials, documents and the manner in which you operate your business, it may take months or years to properly prepare for the sale of your business. Realize that if you are not willing to prepare properly, you will probably not get the desired result when selling.
2. Inappropriate Asking Price: Many business sellers and buyers do not understand the value of a business nor how it is determined. An important step of the sale process is to have a professional valuation completed. This will help the business owner to better understand what drives the value of their business and the many ways in which they could improve the value of their business over time.

The valuation also helps buyers to understand the value of a business that they might be interested in acquiring and to have realistic expectations when making an offer on a business.

3. Lack of Knowledge of the Business Sales Process: It is important for a business owner to understand the entire process of selling a business and to prepare the proper materials for each step of the process. Not having the correct materials can be just as damaging as not preparing the business for the sale.

Once the proper materials are prepared, each step of the process must be done in sequence to maintain confidentiality and to keep the process moving forward, especially when the correct buyer is found.

Professional business brokers and intermediaries thoroughly understand this process and are more likely to successfully sell the business as a result.

4. Not Working with the Correct Advisors: Some business owners think that selling a business is like selling real estate and will go to a real estate professional rather than a professional business broker or intermediary. Real estate professionals understand the process of marketing and selling real estate to the public, which is a process of abundantly and publicly marketing the property to the marketplace and then completing the real estate sale process.

The sale of a business is a completely different process, with abundant yet confidential marketing. Following the appropriate business sale process is crucial to a successful sale. Business brokers and intermediaries understand the difference and strictly adhere to confidentiality throughout the process.

5. Marketing the Business: Once the business has been properly prepared and packaged for the sale, confidential marketing is a critical part of the successful sale. Every business is unique and must be appropriately marketed to be certain that it is getting maximum exposure to the appropriate marketplace.

Please contact Sunbelt of Detroit, Oakland & Macomb for a free consultation regarding the best ways to prepare your business for sale and how to sell your business for the highest price in the least amount of time!

**Call: (248) 750-1251**