ALL SEASONS WEALTH

PREPARING YOUR BUSINESS FOR SALE

a financial guide

01 ASSESS THE MARKETPLACE

When evaluating the market, start with your own industry, then look at the broader economic climate. What's happening with capital markets and consumer confidence levels in your community, your region, throughout the country and even around the world that might impact a future sale of your business?

02 ASSEMBLE YOUR TEAM OF ADVISORS

Assembling your team early in the process allows you to select knowledgeable professionals who you feel comfortable with. Your advisors will also have more time to get up to speed on your business, its history and its financial picture.

03 PREPARE YOUR BUSINESS

Prepare your business for sale with a goal of maximizing its value. This includes a thorough review of fundamental metrics and important documents; a talent management assessment; and an in-depth look at the reputation of your business. You'll want to leverage your advisors' skills and expertise to handle many of these specific tasks.

04 OBTAIN A VALUATION

When you are ready for a formal valuation, make sure you hire a qualified, credentialed and experienced business appraiser. Work with your tax and accounting professionals to track and confirm the accuracy of basis calculations, and to work through any adjustments to your business's earnings before interest, taxes, depreciation and amortization (commonly referred to as EBITDA) now rather than closer to the sale.

05 PREPARE PERSONAL FINANCIAL FORECASTS

Start with your living expenses, other anticipated spending (including a cushion above your known spending needs) — and don't forget your goals for leaving a legacy for your family. Determine how much money will be enough to meet your needs and goals — that will have a big influence on your bottom-line figure for the sale.

06 ADVISE AND PREPARE YOUR FAMILY FOR THE TRANSITION

Consider whether it is appropriate to make family wealth transfers at this point in the process. This is often viewed purely as a tax-saving strategy, but it can also help prepare the family for the money. The same approach can be taken with ownership interests if the business is staying within the family.

07 ENGAGE WITH PROSPECTIVE BUYERS

For many business owners, knowing their employees will still have a job after the sale is important. You'll also want to consider how a sale to various potential buyers could impact your business's reputation in the future. Finally, consider whether you want to continue to have some sort of role in the business after the sale.

08 STRUCTURE THE TRANSITION

Once you have identified a buyer, you'll need to ensure the deal is structured in a manner that considers all of the tax and financial implications in play. Remember that you've put valuable time and effort into your business and into this process. Be true to your goals by structuring a deal that is truly in your best interest.

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