

# Thinking of selling your business?

Our client who owned a retail operation for over 20 years was tired and had run out of enthusiasm for his business and wanted to sell. He had been battered by the downturn in the local economy over the last few years and this had led to a loss of enthusiasm and the deterioration of both the business turnover and profitability over the last few years to the point where a sale was unlikely to achieve a price anywhere near his expectation as the business was barely making wages for his own effort.

## Solution

To achieve the desired price for the business, we needed to recover the business profitability and turnover. To do this, we needed to re-engage the business owner to rediscover his drive for the business so that his team would follow. We set a plan to achieve the level of profit necessary to back up his desired price and gave him some coaching on how to achieve this including setting weekly sales targets for the team and a new lead generation activity to bring new customers to the business. Just having weekly sales targets and creating excitement in the team when these were achieved were enough to see the business hitting its goals before long.

No business can achieve its maximum price without having more than one potential purchaser so while our client was working on the business, we set about quietly trying to drum up interest for the sale of his business amongst his competitors and other potential areas of interest. Before long we had one of his employees and a competitor expressing interest in his business without even taking it to market.

## Outcome

The client recently sold their business for more than double what we predicted it was worth when he initially approached us and more than what he was originally hoping to get. But he also expressed reservations about whether he really wanted to sell now that the business was once again achieving and he had rediscovered his enthusiasm for being there.

## What did we learn

- Don't leave it too late to exit your business
- You have to generate competition for the business to achieve the maximum sale price
- Setting sales targets for the team can make a big difference to the end result
- Good accountants are more than just tax agents
- It takes time to get your business into a saleable condition so start talking to your accountant about this as soon as you start thinking about selling