



## **Should I tell my Staff I'm Selling the Business?**

This is a scenario most business owners struggle with long before they go to the market. Informing your staff you are selling may cause issues; however, if done properly there can be great tactical benefits.

If staff learn about the sale on the grapevine understandably they may panic and fear for their job security. They may look for work elsewhere or they may simply slow down productivity as they are hurt you have not told them.

Should they first learn of a sale when there is already buyer in place they may feel cheated and could jeopardise the sale through the due diligence conditions of the contract.

For some reason business owners tend to feel guilty when selling and will try and hide this fact. Reality is it's not a crime to sell your business and even though staff may not initially like the idea, they deserve to hear it from you and should be told upfront.

A one-on-one discussion is recommended reminding them how important their experience and knowledge is to the business and how the new owner will also be heavily reliant on their skills.

You may then choose to involve your staff in buyer enquiry process to help them acclimatise to the idea, lessening the likelihood of them leaving

Knowing staff are fully aware of a pending sale will highlight the stability of the business in the buyer's eyes, it's also an opportunity to enter into new employment contracts.....another positive for the buyer.

The sale and due diligence process is always easier when the staff are aware. Buyers won't have to sneak around in after-hours inspections, they can meet the key staff and they will get a better feel for how the business really operates.

Honesty is the best policy!

A handwritten signature in black ink that reads "Rod Russell". The signature is written in a cursive style and is underlined with a single horizontal stroke.