

Be careful when doing it yourself.

When the time comes to exit your business you may be tempted to sell it yourself. I have heard many owners say “surely it can’t be that difficult, we will just stick an advert in the local paper and buyers will call” In principle this an ideal scenario, however, history proves is it never that easy and you may be entering a minefield which could cost you much more than an agents fee in the long run.

This was highlighted recently when a local business owner accepted a contract from a private buyer. We found many critical issues such as: The buyer had not signed a confidentiality agreement, the buyer had not been qualified for finance, there were no restraints in place to protect the sellers other business interests which operate from the same premise, the deal was agreed to without a formal lease and the boundaries in the shared premise have not been set.

Now this is only the start of what could prove very costly and frustrating for the sellers. One of the main roles for a business broker is to communicate with all parties and their advisors. Unlike the seller a broker can communicate with the buyer’s financier, accountant and solicitor to get feedback and provide information when needed to nurse a deal through to settlement.

Reputable business brokers are well trained in all aspects of this process and will greatly reduce the legal minefield of selling a business privately. You will also benefit from a broker having a database of buyers and contacts that could yield you a much better result in a quicker timeframe - without the risk of doing it yourself.