

Muir Insights

Selling Your Business

As an Owner you are constantly faced with a multitude of complex decisions. You may be considering options to expand your business, dialing back your role in the company or a complete sale of the business. As former CEO's, business builders and investors, Muir is well positioned to help with these challenges with our consulting and private equity services. The following is a summary of what we've learned to help a Business Owner ready their company for sale. Doing these well may generate an owner millions of dollars.

1) Make sure you are ready to pursue a sale - emotionally, financially and practically, you must be able to answer these important questions:

- "Why you want to sell your business" and,
- "What do you want to do after your business is sold?"

2) Consider alternatives to the status quo, or to a full exit. In our experience, over 90% of business owners consider this an "all in" or "all out" decision. In reality, there are many different ways they can approach this

- If you do not have all the skills or energy to build the business, you may want to explore opportunities to hire new leadership, or bring on an operating partner.
- If you want to diversify your assets, consider selling most of your business and keeping an equity position.

3) Sell when the business is ready to be sold

- Sell when market timing is right. The difference between a sellers market and a buyers market is a substantial difference in value.
- Sell when you have addressed all easy short-term ways to drive increased value in the business. Execute these improvements yourself, before selling. Be patient.
- Fix an Achilles heel before selling the business, even if it takes time.
- Make sure your financials are well prepared. Include key performance metrics. These show discipline, good management and allow a potential buyer to be able to understand your business.

4) Who do you want to sell to?

- Industry buyers may know your company, but you will give away your secrets to them before they decide to sell.
- Financial investors are generally faster decision makers but may not be as familiar with your industry.

5) Bring on the right advisors who can help you.

- Understand how they can help you, and make sure their incentives are aligned with yours.
- We believe in an open and honest approach to partnerships. We're straight-shooters and we don't sugar-coat. Please call us if you would like to discuss your open options and plans.