



Preparing to Sell Your Business

1. Solve the problems: Lawsuits, employees, customers, suppliers, cash flow, profitability, patents, appearance, online reputation, repairs...
2. Consult with the professionals. Attorney, CPA, Broker, Lender, SBDC.
3. Prepare important documents that apply to your sale.
 - a. Contracts including lease. Is the lease assignable?
 - b. Financial reports for the past 3-5 years.
 - i. Compiled, Reviewed, or Audited? Tax Returns?
 - ii. Asset lists detailed and adjusted to recent market values?
 - iii. Actual inventory updated & matched to books?
 - iv. Reconciled to supporting documents such as bank statements?
 - c. Supplier information
 - d. Customer information
 - e. Patents, Trademarks, Licensing, and Inspections
 - f. Lawsuits, Threats, Judgments
 - g. Dunn & Bradstreet Business Credit Report (if credit in business name)
iupdate.dnb.com/iUpdate/viewiUpdateHome.htm
 - h. Job Descriptions & Resumes of Key Employees

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- i. Disclosure of important facts
 - j. Non-disclosure agreement from potential buyers
 - k. Draft a Letter of Intent to lease or purchase
4. Describe the business and what the sale includes and doesn't include.
5. Detail your marketing strategy.
6. Make it look good.
7. Consider a professional valuation in consultation with buyer and lender.
 - a. Your SBDC consultant can also review valuation factors with you and can possibly get comparable sales from bizbuysell.com/
8. Set the price and negotiable factors such as partial seller financing.
 - a. The selling price or value of a profitable business may or may not be substantially more than the value of the hard assets.
 - b. Partial seller financing may increase the value of the business.
9. Communicate with and screen potential buyers.
10. Protect your interests while being reasonable.

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