

Top 10 Mistakes Sellers Make When Selling a Business.

Congratulations! You've made the decision to put your business on the market. Before you get started, take a look at some of the most common mistakes sellers make and learn from the errors of others.

- Not doing your homework. You didn't buy a business without thoroughly learning about it?so why would you sell one that way? Take the time to learn the terminology and get familiar with the selling process. Reading this article is a good start!
- Determining a price before you've learned about the value. Sure, you might have an idea of what you'd like to get for your business, and you might even have a bottom line limit of what you'll sell for. But don't make any decisions until your business has undergone an official valuation, or you might end up selling yourself short.
- Accepting the first offer you get. If you're under the gun and have to sell as soon as possible, then of course you'll want to move quickly. Otherwise, investigate your options and make sure you're getting a fair deal.
- Letting the word get out. Once people find out you're selling, you could lose customers to the competition and even employees afraid of losing their jobs. Keep it under wraps for as long as possible, or your business could actually drop in value.
- Maintaining the status quo. If you know you want to sell your business next year, start making the changes today that might make it more valuable tomorrow.
- Not knowing their buyers. Don't waste time on potential buyers who aren't pre-qualified or who haven't made an offer.
- Not defending the valuation. Get a valuation report, and use it when you're setting the price of your business. If a buyer makes a lowball offer or wants to negotiate, keep your back up materials handy and be prepared to defend your asking price.
- Failing to negotiate! This is business. No one is trying to make friends or be nice. If you get an offer that seems a little low, try to figure out other ways of structuring a deal to get what you want.
- Waiting too long. If your industry is surging and you think you might want to sell, get moving before the industry takes a dive?or the competition moves in to capitalize on your profits.
- Not getting professional advice. Whether or not you decide to use a broker, you should surround yourself with skilled professionals?lawyers, accountants, etc, who have experience selling businesses. Selling is a complicated process and not one that you should take on without expert assistance.