

A blurred background image of a business meeting. Several people in business attire are visible, with hands holding pens and documents. A laptop is open on a wooden table in the foreground. A small potted plant is on the right side of the table.

# Selling your Company in 2024

## Considering selling in the next five years?

Business owners aiming to sell within the next five years should begin planning now. While the timing for approaching the market can be decided later, it's crucial to assess your company's commercial, financial, and legal readiness against your goals to ensure a successful sale.

*It's important to understand what we mean by success and failure.*

While it may seem obvious that success is defined as a sale and failure is defined as no sale, we really ought to have higher aspirations for success. Achieving the best offers available and negotiating the best terms should be central to your aims - in order to achieve this you are going to need a proactive strategy and expert guidance.



Selling your business, regardless of its size or how long you've owned it is a significant event. While the potential benefits are substantial, the risks are equally significant. Doing it right is crucial.

At Entrepreneurs Hub, we believe that achieving success when selling your business requires careful consideration of five key areas.

Let's take a closer look into why these are critical.

# The five key areas to consider

## Intelligent and informed preparation

Despite understanding the importance of preparation, people often underestimate the depth of preparation needed.

*Many business sales falter due to insufficient preparation.*

Key preparation areas include:

**Due Diligence:** Gathering all the necessary information beforehand streamlines the process and reveals any concerns that need to be addressed before approaching the market.

**Financial Plans:** Analyzing past performance and future potential under new ownership requires comprehensive planning with an acquirer mindset.



**Research:** This will be discussed next, but is a vital part of the preparation process.

**Documentation:** Preparing the right documentation for the process that strikes the right balance between confidentiality and promotion is essential.

**Self-Preparation:** Are you prepared for the process? The emotions, potential hiccups, how to conduct yourself in meetings etc...

# The five key areas to consider

## Establish a choice of credible acquirers

The principle is simple - when you have more than one credible acquirer interested in a deal, the pressure is on them to make competitive offers and negotiate fairly. They know that if they don't move quickly, someone else may take the opportunity. This dynamic can help ensure a fair and successful transaction.

Unfortunately, this principle is often forgotten or overlooked because of a direct approach which sounds attractive, or a lack of effort in marketing the business, or it might be that the small list of companies you felt certain would be interested, simply aren't.

*Start with a solid research process and a wide base with potential for a good fit.*



In order to generate a credible choice, it's essential to start with a 'long list' and filter through potential buyers to ensure you identify those with means, motive and opportunity resulting in a strong interest in the acquisition.

Potential buyers are narrowed down by initial approaches and information shared under NDA followed by calls, meetings, and indicative offers. This process enhances the chances of finding credible acquirers and securing a fair deal.

# The five key areas to consider

## Don't advertise a valuation

Valuing a business is challenging - there are various methods, informed assumptions and many variables to establish a reasonable estimate of its value.

While this can be very helpful for planning, decision making and assessment of offers, it should only ever be an internal figure. It is not a definitive price tag.

If you advertise a specific valuation for your business, you can easily limit the offers you receive or discourage potential acquirers who have yet to appreciate the real value of your business.

*By highlighting benefits, you can keep the buyer honest in their offers.*



## Emphasise benefits and synergies

An understanding of the benefits of the acquisition to potential buyers and their motivations is crucial. These points should be communicated clearly in documentation to attract initial interest, and used in negotiation to encourage good offers.

Access to a loyal customer base, contracted revenue, technology or expertise, future profitability, or valuable intangible assets are just some examples.

# The five key areas to consider

## Let someone do the deal for you

Consider hiring someone to handle the deal for you. This recommendation stands regardless of whether you choose to work with us. Here's why:

- Working with an experienced team increases your chances of success.
- Selling a business can be lengthy and all-consuming process.
- To get the best result you need to focus on continuing to run and grow your business.

*The right advisor can make a significant difference to the outcome you achieve.*



## In summary

To succeed:

- Establish multiple options
- Avoid fixed valuations
- Emphasize future opportunities
- Prepare thoroughly
- Entrust an advisor with the deal.

## In conclusion...

Selling your business is a significant event, so it's crucial to get it right and maximize your chances of finding an acquirer who can provide what you need and give the business the future it deserves.

If you would like to talk to someone about your plans and discover how much your business might be worth, with no obligation, please contact us.



**[info@entrepreneurshub.co.uk](mailto:info@entrepreneurshub.co.uk)**



**08450 678 678**



**[www.entrepreneurshub.co.uk](http://www.entrepreneurshub.co.uk)**

### **Headquarters**

The Courtyard,  
Brinkletts House,  
15 Winchester Street,  
Basingstoke,  
RG21 5RU

### **Birmingham Hub**

Somerset House,  
37 Temple Street,  
Birmingham,  
B2 5DP

### **Manchester Hub**

City View House,  
5 Union Street,  
Ardwick, Manchester,  
M12 4DJ

### **London Hub**

107 Cheapside,  
London,  
WC2V 6DN