

# Important Questions to Ask When You Want to Sell Your Business

Establish a roadmap to help guide you through the right exit strategy



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**F**or Pino Bacinello, president of Pacific M&A and Business Brokers Ltd., knowing where to start when deciding to sell one’s business requires asking self-directed questions — and ideally, asking those questions years before the intended sale is to take place.

“It’s inevitable that all owners will eventually exit their business, and if the exit is planned, then they will have a certain degree of control,” he says. “But unplanned exits due to health, death or other circumstances where they have no control are also a distinct possibility.”

Unfortunately, clients often approach the professionals at Pacific M&A and Business Brokers to sell their business when it is too late, when they are of retirement age or in poor health and nothing has been done to prepare.

“Of course, we can still help, but there’s no getting around the fact that the lack of planning can be costly not only to owners but also their loved ones,” Bacinello says.

Whether a business owner has the inclination to consider how to prepare or needs direction from experts such as Pacific M&A and Business Brokers, the preliminary questions to ask remain the same: How much of a runway do I still have? Am I ready for it? When is the best time to sell? How much will I get if I sell? How long will it take?

Bacinello says that starting with the first question is the most important as it forces owners to contemplate how many more years of good health they have and what they want to achieve during those years. In a sense, it establishes a career timeline — and a roadmap that enables them to develop effective exit strategies

well in advance of stepping out.

Equally vital is asking whether you’re ready to exit. “This is both a personal question — are you psychologically ready to sell — and one directed toward the business itself,” says Bacinello. “You have to determine if the value of your company is maximized, and how dependent the business is on you? If so, how can you change that? Would the business be severely impacted by the loss of a key customer? Would you be willing to stay on if a buyer wanted you to?”

Asking these questions is the starting point to selling one’s business and, at the very least, may dissuade owners from selling on the spur of the moment — a move that is inherently counterproductive to success.

As for the best time to sell, the obvious answer is: when one is at the top of one’s game, and

There’s no getting around the fact that the lack of planning can be costly to a business owner. Consultation with a professional can streamline the process and create a clear path toward a successful sale.

the only way to determine this is to gain a solid understanding of market conditions and business trends. “By exploring these factors, you can avoid selling when your business is on the decline,” says Bacinello.

In a similar vein, it is paramount that business owners understand the value of their business — and if a particular selling price is reasonable for them or not. “Asking such fundamental questions will avoid unreasonable expectations or disappointment and even leaving money on the table,” says Bacinello.

Addressing all these questions leads not only to getting the most out of an eventual sale, it facilitates the actual sales process, which firms such as Pacific M&A and Business Brokers facilitate via value assessment, marketing development, negotiation, due diligence management, and more. Bacinello says, “If all your ducks are in a row, the sale can take as little as eight to 15 months.”

Bacinello concludes: “Now is the time to plan for an exit, and to run a business as if it is always for sale — because nobody knows when the involuntary exit may show up. Start by asking those questions.” ■