

Our Handbook for Business, the Bible

Collecting your harvest

I sense a lot of owners have had enough of the tough economic conditions, Marxist governments and societal changes; and would love to sell out. This especially applies to aging baby boomers!

As most won't have a logical buyer within the family or staff they'll need to list the business for sale.

After decades in this game, I've seen too many sellers make these FOUR mistakes:

- 1: The operation is overly dependent on them, a big negative with prospective buyers
- 2: They don't understand what buyers are looking for
- 3: They have an unrealistic sale price in mind based more on what \$\$ they need than true value
- 4: They don't know how to prepare or present a business for sale.

These factors explain why only 1/3 sell for the asking price; the rest are sold at a big discount; or key assets liquidated on the way to closing down. This is a tragic situation for sellers and their families.

My counsel for you, as a business owner:

There are 3 steps to take before listing your business for sale, assuming you want the best price or harvest, and your decision to sell aligns with God's will...

First, THINK like a buyer (not a seller)...

- They look for trend growth in sales and profits (after paying the owner a commercial wage); a steady flow of new customers; and a return on investment of 25% or more

Second, PROVE the business can run without you...

- Your Operations Manual should document all tasks, procedures, systems, and jobs and is managed by a dedicated & well-trained team and works just as well in your absence

Third, GATHER all the information a buyer needs and create a Prospectus; that would include...

- An up-to-date customer database with full 80-20 analysis; trends in website metrics; and your use of social media to attract and retain customers.

Finally, be patient because even with professional help it can take 12 months or more to prepare a business for sale in order to achieve your desired asking price once it is listed.

The Bible, our Handbook counsel, Ecclesiastes 3:1-2, New Living Translation...

"For everything there is a season, a time for every activity under heaven...a time to plant and a time to harvest"

Other Scriptures (NKJV):

Psalms 24:1, "The earth is the LORD's, and all its fullness, the world and those who dwell therein"

Proverbs 16:3, "Commit your works to the LORD, and your thoughts will be established"

Proverbs 16:9, "A man's heart plans his way, but the LORD directs his steps"

Psalms 37:5, "Commit your way to the LORD, trust also in Him, and He shall bring it to pass"

Galatians 6:9, "And let us not grow weary while doing good, for in due season we shall reap if we do not lose heart"