

# Adding Value to Your Company

---

When it comes to sell your company, a good portion of the value is the prospective buyer's perception of the business. You want to make sure that early impressions of the business are good. The better the first impressions are, the more likely the business will justify its real value - or its asking price - to a prospective buyer. Before you sell, you might want to consider the following suggestions:

The decision to sell your business may not be etched in stone, but pretty close. You don't want to start the process if you are not sure that selling is what you really want to do. If there are other owners, such as family members, they should all be in concert regarding the decision to sell the business.

If the company presently has some problems, such as pending litigation, unresolved accounts payable, officer loans or questionable receivables, now is the time to resolve these issues. You may have to, as they say, "bite the bullet," but better to do it now than have these problems arise in the middle of a possible sale.

Talk to your accountant about cleaning up the numbers so they can be presented in a clear and concise fashion. Buyers are impressed with a clear picture of the financial record of a business. Have your lawyer review the firm's legal documents. Are the corporation filings up-to-date and in order?

Many sellers overlook the physical appearance of their business. If the furniture is outdated, replace it. Is the shop area neat and tidy? How about the other operational centers? Do your printed materials present a crisp, clean picture of your business? Is the material current? Does it represent the kind of company you would want to own?

Is management in place? This is especially important if you plan to leave the company when it sells. A strong, stable management team already in place is an asset. Do these employees have contracts to take them through the selling process?

Finally, don't overlook the benefits of working with an experienced intermediary. S/He can guide you through the steps to maximize the value of your company. The M & A Source is a good place to find such an intermediary.

SOURCE: The Private Market Report  
Volume VII, Issue 2