

PUTTING YOUR BUSINESS UP FOR SALE?

You need to prepare your business for sale with great thoroughness. If your management structure is weak without you, it maybe appropriate now to recruit a successor, or to strengthen your second-tier management team. This will not only speed your exit, it will also reassure purchasers as the future value to them of your business. Conversely, are you able to reduce staffing costs or other overheads, without adversely affecting your business?

On a legal front, all contracts, including employment contracts, leases, distribution agreements, commercial agency agreements, supplier and customer contracts as well as normal terms of trading, should be reviewed and formalised, to ensure that they are transferable to the new owner. You should make sure that your company possesses all the appropriate licences, including those of intellectual property, and computer software, and complies with all the current required procedures. Are there any environmental health and safety issues that need to be addressed? If possible, it is also advisable to conclude litigation, either by or against your company.

The operational side of your business should also be reviewed. Is there anything you can do to differentiate yourself from your competitors, or to raise your company's profile?

You should consider rationalising a part of your business, which would not add value to the sale and try to reduce an over-dependency on key customers or suppliers. By making yourself more visible, and more efficient, your company will become more desirable.

From a financial standpoint, the company balance sheet should be streamlined. Slow-moving or obsolete stock needs to be reviewed. Fixed assets should be revalued and any private assets should be bought out of the company at a proper price. Are all debts recoverable and can any director's loan or current account be cleared to zero?

We can help you on this. Please ask.