

SELLING YOUR BUSINESS DURING THESE ECONOMIC TIMES

By Roben D. Hunter, JD, CPA, CVA

If you are planning to sell your business within the next five years, you may need to be more creative to achieve your desired results. However, there is one thing that you should have and that, during these economic times, is more important than ever; that is:

A PLAN

It is my educated guess that for the next few years there will be many buyers and many businesses for sale. As unemployment rises, more people will have the thought of becoming their own boss and get the “entrepreneurial spirit”. As more baby boomers decide to retire, more businesses will be available in the marketplace. Additionally, many business owners will simply decide to retire rather than fight the economic challenges. With the market saturated with businesses for sale, you will need A PLAN that places yours in a stronger position than others in the marketplace. Here are some thoughts for consideration to help you establish A PLAN:

- Don't be afraid of an exit strategy that is not a traditional sale. There are many alternatives to a traditional sale. Employee Stock Ownership Plans and family or management transfers are some examples. They may take more creativity, but can be much more satisfying in the long run.
- You will probably end up carrying back at least a portion of the purchase price. The banking industry is not what it was a year ago, and banks, even the SBA, are not as likely to finance the business purchase.
- Make sure you understand the changes in value of your business and what you can do to increase that value. Having a valuation professional assess your business is one way of accomplishing this objective.
- Make sure you understand the tax ramifications of the sale as you envision it and make those considerations part of your plan. Most people believe that taxes will rise in the next few years, and you should keep that in mind when planning your sale.

With these concepts in your mind, you should be able, with the help of your professionals, to develop A PLAN to suit your needs.