

Checklist For Selling a Business

- I. Consider and make the decision to sell your business.**
- II. Be absolutely certain you are ready to sell and committed to the process.**
- III. Engage your team of professional advisors.**
 - Business Broker
 - Accountant
 - Attorney
- IV. Gather information about the business.**
 - Three year's of year end profit and loss statements
 - Current balance sheet
 - 3 years Federal Income Tax returns for the business
 - List of all furniture, fixtures and equipment and approximate value
 - Copies of the property lease and Certificate of Occupancy
 - A list of the loans against the business, with amounts and payment schedule
 - Copies of any equipment leases
 - An approximate value of the inventory on hand, if applicable
 - A copy of your franchise agreement, if applicable
 - The names of any outside advisors
- V. Evaluate your business, and establish a selling price.**
 - Review pricing Rules of Thumb for your type of business
 - Research For-Sale comps for similar businesses
 - Research recent sales of businesses similar to yours
 - Consider a Professional Business Appraisal
- VI. Prepare your business for sale.**
 - Clean up your facility and repair any obvious defects
 - Repair and service all equipment
 - Catch up on all deferred maintenance
 - Straighten out your books and records
- VII. Prepare a detailed Selling Memorandum for the business, including:**
 - Business Summary
 - Financials
 - Asset List
 - Pictures
- VIII. Identify the universe of potential buyers.**
 - Financial Buyers
 - Strategic Buyers
 - Industry Buyers

IX Market the business.

- Newspaper/Magazine Ads
- Web Site Listings
- Industry Journals
- Targeted Mailings
- Phone calls

X Qualify prospective buyers.

- Confidentiality Agreement
- Buyer Profile Report
- Buyer resume
- Buyer personal financial statement

XI. Receive offers from interested buyers.

XII. Execute a Letter Of Intent with the proposed buyer.

XIII. Sign a Purchase Agreement and complete other documentation for the sale.

XIV. Assist the buyer with due diligence.

XV. Satisfy all the conditions to the closing.

XVI. Close the sale.

XVII. Take a well deserved vacation.

This list is meant to be used as a guide to illustrate the general steps in the selling process and their typical sequence. The process may vary depending on the type and size of the business being sold as well as the amount and quality of information available. For best results engage an experienced business advisor to guide you through the process. Remember... You only get one chance to sell your business the right way.