

The Time To Sell Might Be Right Now

by Tom West

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A survey of business activity nationwide shows that many sellers are taking advantage of the window of opportunity offered by today's favorable marketplace. In this recent survey, almost one-third of business owners responded that they are considering the sale of their business. The first question one might ask, given the relatively healthy financial climate, is WHY? Selling when times are good? The answer, for many sellers, can be a resounding YES! Here are some of the reasons why, followed by tips for getting the process started.

The Buyers Are Out There: The current economic upturn has depended to a great extent on trimming the corporate fat. Executives and middle managers out of work--and determined not to be "downsized" by big business again--are eyeing the advantages of being in business for themselves. Since 1990, the percentage has steadily grown of those corporate executives who leave jobs in order to become independent business owners. It isn't just the money they are dreaming of--it's the desire for more control over their lives.

How to find these buyers? The business broker is the professional to whom sellers turn when looking for serious, "qualified" buyers. The business broker not only helps match the right buyer with the right business, but also educates the buyer in the buy-sell process, alleviating concerns and keeping the transaction in steady forward motion. With plenty of buyers to choose from in today's market, it's more important than ever to identify the time-wasters and those who think they want to buy but really aren't ready to take the big step.

It's Better To Cash-Out Than To Burnout: Burnout can come with a business that's successful as well as one that's failing to grow. The right time to sell is before the syndrome becomes a threat to the effective management of a business. What are the warning signs of burnout?

That isolated feeling. The burnt-out owner has been "chief cook and bottle washer" for such an extended period of time that even routine acts of decision-making and action-taking seem like Sisyphean tasks. These owners have been shouldering the burdens alone too long.

Fuzzy perspective. Burnt-out owners are so close to their work that they lose perspective. Prioritizing becomes a major daily challenge, and problem-solving sometimes goes no further than the application of business

band aids that cost money in the long run rather than increase profits.

No more fun. Of course owning a business is hard work, but it should also include an element of enjoyment. The owner who drags himself or herself through every day, with a sense of dread--or boredom--should consider moving on to a fresh challenge elsewhere.

Just plain tired. Simply put, many business owners burn out from the demands placed on them to keep their companies operating day after day, year after year. The schedule is not for everyone; in fact, statistics show that it's hardly for anyone, long-term.

The important point here is for business owners to recognize the signs and take action before burnout begins to hinder the growth--or sheer survival--of the business. Many of today's independent business owners feel they've worked hard, made their money and sense that now is a good time to "cash-out" and move on.

The Best Price Comes from Selling While Up: Other than burnout and its consequences, there are other factors that can lead to the "forced sale" of a business. Compelling personal problems (a divorce or death in the family, poor health), shortage of capital or outright failure of the business, the lack of heirs to take over--these are the traditional examples. Instead of waiting for unfavorable conditions, potential sellers should keep a wary eye out for that all-important right time for putting their business on the market. When might that time be?

The Small Business Administration (SBA), in researching selling trends, reports that three to five years is a long enough stretch for many of today's business owners. One in every three plans to sell; many of them right from the outset. The business they've bought is not a legacy for their children--it's a shorter-term investment of their time as well as their money. The ability to present a healthy operation, with an owner in the position to "role model" its success are major advantages in the completion of a successful business sale. One of the surest ways to maximize the value of a business is not waiting too long to sell.

ABOUT THE AUTHOR

Mr. Tom West is the publisher of, [THE BUSINESS BROKER](#), and, [MERGERS AND ACQUISITIONS TODAY](#), newsletters. He has written or co-written numerous books including, [BUSINESS BROKERAGE BASICS](#), the [BUSINESS BROKERAGE:MANAGING FOR PROFIT](#), the [HANDBOOK OF BUSINESS VALUATION](#), and the [BUSINESS REFERENCE GUIDE](#). He is a founder, past president, and former

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