

# SELLING YOUR BUSINESS: 10 STEPS AND 8 RULES FOR GETTING THE BEST POSSIBLE DEAL

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## **Selling Your Business Is A Process, Not An Event**

Selling your business for its highest and best value requires time, teamwork, research, planning, strategy, preparation, networking and commitment.

This article is all about process. The process suggested here is meant to maximize your chances of multiple, interested buyers who bring multiple offers to the table.

However, the rules, principles and processes set out here are just as applicable if you only have one interested buyer, or know in advance who your buyer is likely to be.

In all cases, this process will help you manage everyone's expectations, including your own, and will channel energy into its most productive path.

Working through this process in a diligent and conscientious manner can have an immediate, positive impact on your business, which could become increasingly meaningful the longer it takes you to find a buyer, or if you postpone your timetable for selling out.

## **The Eight Rules**

There are eight rules and ten steps suggested in this article. Some rules apply to more than one step. The eight rules you need to consider are:

*Rule #1: Do not try to sell your business yourself.*

*Rule #2: Have a clear understanding of why you are selling your business.*

*Rule #3: Have a realistic understanding of what it is you have to sell and how valuable it really is.*

*Rule #4: Have a good understanding of why someone would want to buy your business.*

*Rule #5: Get your house in order.*

*Rule #6: Plan to sell a business opportunity, not a pile of assets or a set of financial statements.*

*Rule #7: Plan to have multiple, enthusiastic buyers for your business.*

*Rule #8: Do not get attached to a particular price for your business; plan to let the market give you the best idea of what your business is worth.*

## **Step 1 - Assemble a Team and Define Your Basic Needs**

Start the process by implementing Rule #1:

***Rule #1: Do not try to sell your business yourself.***

Assemble on an advisory team, including an accountant, a transactions lawyer and your closest personal advisors. Make sure they can give you objective advice and look out for your best interests. Do not select people who will simply tell you what you want to hear. Get people who have done this before.

Make sure they have access to solid income tax advice.

Make sure they have access to experienced business valuation advice – an experienced business valuator or business broker is often a very good idea.

Once the team is together, implement Rule #2:

***Rule #2: Have a clear understanding of why you are selling your business.***

Develop a clear and simple statement of why you are selling the business, and what you want to achieve from the transaction. Remember there is a lot more to making a good deal than getting a good price. Reduce your statement to writing and hang on to it. You will need this touchstone as you work through the rest of the process.

**THIS IS AN 11-PAGE DOCUMENT.**