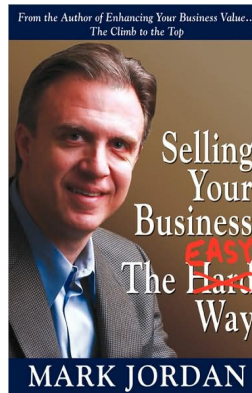




Dental **WEALTH** Builder
By Dr. Bhama Doshi

Selling Your Business the ~~Hard~~ Easy Way



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About the Author:



Mark Jordan is Managing Principal at VERCOR, a middle market mergers and acquisitions firm with over twenty-five professionals and which operates on both a national and international basis.

Mark holds an MBA from Baylor University and BS in Business Administration from the University of Arkansas as well as numerous designations.

Mark is also the author of "Enhancing Your Business Value...The Climb To The Top", "17 Ways to Improve the Value of Your Company", "Selling Your Business the Hard Easy Way", and is co-author of "The Business Sale... An Owner's Most Perilous Expedition".

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■ The Big Idea

In "Selling Your Business the ~~Hard~~ Easy Way", Mark Jordan offers down-to-earth insight into the key aspects of what is potentially one of the most momentous decisions of any entrepreneur's life – deciding to sell one's business – and everything that follows.

Jordan speaks simply and with candor and clarity, making this book easily readable by novices and experienced sellers alike. It provides important advice useful at many points in the process.

- Understand how to maximize the potential for a successful negotiation process and learn how to sustain momentum throughout the entire course of the transaction.
- Learn how selecting the right team of advisors can make the difference between a rescinded deal and closing a deal at the right price and on the right terms.
- Find out the danger in faulty thinking and learn how it can ruin your company and your employees.

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■ Why You Need This Book

With advice regarding negotiations, marketing, valuation, and even maintaining sanity in the midst of all the action, this book is a resource that all business owners should have in their libraries. Mark Jordan brings up mistakes that many business owners unwittingly commit in the course of selling their businesses, and discusses how readers can avoid committing these mistakes.

■ Nurturing an Unrealistic Value

Value is what you have been striving for all along. Your business has finally reached peak production and you are ready to sell. It is time for all those years of dedication and hard work to pay off. Your business is so lucrative you are sure of its potential value. Or are you?

Your knowledge of your business's value, or lack thereof, can greatly affect the sale of your business. Having unrealistic expectations can lead to disaster and financial ruin.

Negotiating with a reasonable value draws your buyer closer to your side of the bargaining table, and in some instances, it can completely disarm your buyer. If he is reasonable and your value is accurate, your buyer will know that you have done your homework and also that he is dealing with a serious seller. The buyer will relax and as the tension eases, you can close a deal that will satisfy both parties. Having a reasonable expectation increases your chances of obtaining your asking price and if you have a high yet realistic value with documentation to back it up, it is many times better. You will find that having a realistic value is half the negotiating battle.

No matter what type of business or managing style you possess, remember the importance of a realistic business value. Increase your vision rating before buyers converge upon your company and not afterwards. Meet their gaze head-on with 20/20 vision.

■ Using the Wrong Advisor

Professional advice should be obtained from a professional, but what constitutes a professional? Which area of expertise actually fits your needs?

Friends and Family

Friends and family know you well, but are they qualified to give advice when it comes time to sell your business? Everyone is an expert at something. Most likely, your list of family and friends does not include an investment banker. Quite often the lines between categories of expertise become blurry. Keeping these lines sharp and clear can prevent unwanted results.

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CPA

A CPA is an important part of the process of selling your business. Working with one who is familiar with your company's history and accounting process can prove extremely helpful.

Attorney

If someone decides to buy your company, there will be contracts to sign. You will need an attorney to review and comment on the contracts. The contracts involved in investment banking transactions have unique elements and require an attorney who has experience in working on deals.

Investment Banker

Investment bankers have a clear knowledge and understanding of business value. They understand how to package your deal in a way that promotes your strengths and offer advice on repairing weaknesses.

This is not to say that friends and family, attorneys and CPAs (and other people to boot) don't have anything to contribute – they all bring their own experience to bear and this could well be invaluable. How you go about choosing an advisor is completely up to you. You are the owner of the company and understand best its inner workings. Everyone will agree that an educated choice is the best one. Be sure and obtain the credentials of each prospect as you put the building blocks in place for a successful sale.

■ Negotiating with One Buyer at a Time

An investment banker has all the contacts. He knows which group of corporate buyers your business will interest. You remain focused on the business while he deals with buyers that are just asking questions and those that are seriously pursuing a deal.

By increasing the size of the crowd of buyers that is looking at your business, you have taken an important step in the right direction. Things happen quickly in a crowd.

While a crowd might be utterly overwhelming if you had to manage them on your own, having a qualified advisor at your side brings the benefits of multiple buyers without the headaches. With a multiple-buyer strategy in place, you enter the process with an eye toward selling smarter and not harder.

Whichever approach you use in selling your business, remember your sharpest marketing tool is multiple buyers. Watch the value of your business increase as the buyers vie for the privilege of closing.

■ **Handling the Entire Process Yourself**

Gaining independence is a wonderful goal to which we all aspire. To accomplish anything successfully requires hours and, sometimes, years of training. In our quest for independence, we usually train in a specific field, which allows us to exercise our independent muscles earlier, since specialists are usually the highest in demand and can command higher rates.

If you are like many business owners, once you have reached that ultimate independence of owning your own business, the next step is to sell it. Independence feels so good, but will you continue to operate independently in the sale of your business?

Independence is a wonderful state; however, it is usually precluded by dependence. Make an educated choice about whom you will be dependent upon and what you expect in return. The amount of freedom you gain from your independence will depend on your selection of dependency.

■ **Using a Deficient Non-Disclosure Agreement**

Once you are armed with a suitable confidentiality agreement, you need not worry about losses due to stolen or exposed information. Your advisor and the associates are well aware of the penalties for breach of contract, and this is just one of the benefits of working with a professional.

No matter when, where, or how you decide to sell your business, having a properly drafted Non-Disclosure Agreement will go a long way in providing you peace of mind. It can protect your business, your capital, and your employees.

■ **Telling Your Friends**

If you need to discuss the selling of your business with someone, they must be trustworthy. You must find someone who understands the importance of the secrecy of your intent to sell. You must find someone whose interest in this secrecy is as deep as yours. You must find a professional who understands the process of selling a business.

If you need to tell a friend, make that friend your advisor – someone who works to guard your interest and has an investment in the sale of your business. By guarding this investment with confidentiality, an investment banker hopes to make the process of selling your company as painless as possible.

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You hold the keys to your future in your hands. A well-trained and professional advisor can provide you with tools, advice, and assistance. Who will you choose to carry your secret that contains your future financial stability? Will you choose a friend or an advisor?

■ Waiting Until You Are Forced to Sell

If you are ready to sell your business, an advisor can identify buyers that are looking for new opportunities. Your advisor can educate you about the length of time it will take for your business to sell based on the current market. This will enable you to plan accordingly and bring about good results.

No matter whom you choose to assist you in the sale of your business, make sure you seek their advice well in advance of your desired exit date. Do not wait until you are forced to exit or you may find the exit door closed. You may have to sell your business at terms completely abhorrent to you if you wait too long.

■ Narrowing Your Prospect Focus

Everyone knows the importance of focus. In one of the adventures in Jonathan Swift's classic book "Gulliver's Travels", two kings were so focused on the planning of an upcoming wedding that they failed to notice the town crier and his urgent message, "There's a giant on the beach!"

Are you missing the giant on your beach?

The selling of your business is a momentous project that will affect the course of your life. Maintaining a focus that is too narrow will greatly diminish the possibilities available.

You must decide what prospects you wish to connect with and how you wish to make these connections. Educate yourself on the possibilities that surround you and make an informed decision on where to place your focus and exactly how broad you want that focus to be.

■ Staying Disorganized

It is a proven fact that organization brings about higher productivity. The methods you use to achieve this productivity are your own choice.

Maybe you will only implement enough change in your company to create organization in your company's financial reporting. On the other hand, maybe once you see the profitability of organization you will apply the principle throughout all aspects of your company.

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Whichever road you choose in the sale of your business, you must realize that some form of organization will have to be a part of your sales strategy. Whether you hire professionals to lighten the workload and diminish your direct input or struggle through the process yourself, organization is an important key to your success.

■ Keeping a Hidden Agenda

In an ever-changing world, it is often difficult to know whom you can trust. Understand exactly how your advisor intends to assist you in the sale of your business.

Search until you find someone you can trust to champion the project. Once you have chosen your advisor, give him every possible tool to assist you in the sale of your business. Give him your trust as he earns it. Don't simply go by his credentials, the school he graduated from, or anything like that.

Supply the banker with your ideas that he can implement as well as fears that he can quell. This may be a once in a lifetime deal. Create a winning team founded on openness to execute the plan.

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