

How To Avoid Common Pitfalls And Maximise Your Profits When Planning The Sale Of Your Business



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Kerry Boulton is Australia's most respected Exit Strategy Advisor and CEO of the Exit Strategy Group. Welcome to this week's segment.

KERRY BOULTON: Why is it important to plan the sale of a business. You know, approximately 75% of businesses never sell, and that is a really startling but true fact. And with the baby boomer generation coming through as business owners, we have more than 50% of our private businesses owned by that group, so there's a huge wave of business sales coming.

The primary reason that businesses don't sell is that the owners fail to realize that they actually do need to plan, even when your business is a really strong, good, viable business. If it's not planned properly for sale and managed for sale, it really may not get there. And typically, a business can represent anything from 50 to 90% of a business owner's net worth.

And if the lack of planning, you're not able to sell that business. It can be really, really devastating. It does take time to implement the changes that you need to make in your business, to prepare it for an exit strategy, and in most cases, at least a couple of years. And I've said this many times before, that it's never too early to start planning for a business sale.

So what are the important things that you really need to look at? First of all, it's inertia. I don't know whether I've mentioned this before, but a lot of this is almost like the elephant in the room. I think that's how you could actually describe it. And inertia takes over where you don't really want to face what's required, getting yourself a high level valuation.

So you understand where the business currently sits in terms of what it could be worth in the future, understanding what the value gaps are and where the areas that you need to concentrate on to actually improve the business, and getting started doing that is the way to overcome that inertia. Unfortunately, all too often, business owners are actually forced to sell because of some outside influence.

And that's not a place that you really want to be at, because that's not the way to maximize your business profitability so that you can get the best possible price for your business. I'd really highly recommend that you think about what it is that you need from your business to be able to support your future lifestyle and make a decision today to get moving on an exit plan so that you can get the best possible price for your business.

If you don't have a copy of Kerry's new book, ***The Uncensored Truth About Exit Strategy***, please visit <https://freeexitstrategybook.com.au/>