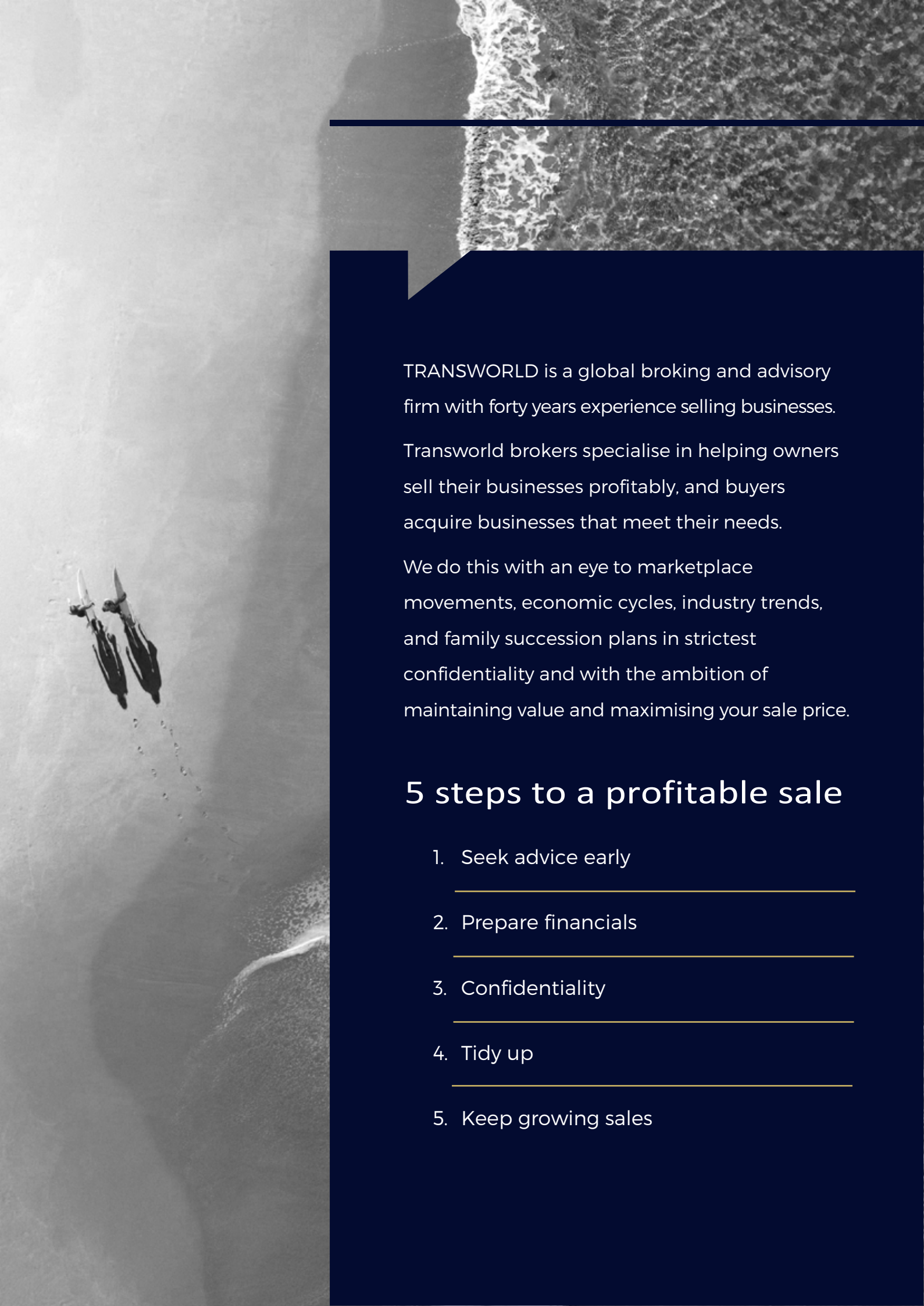

THE GOLDEN RULES FOR SELLING YOUR BUSINESS

Maximise your gain by following these
five steps to a profitable sale.

An aerial, black and white photograph of a beach. Two surfers are visible in the lower left, riding waves. Their shadows are cast long and dark on the sand. The ocean waves are breaking in the upper right, creating white foam. The sky is a uniform light gray.

TRANSWORLD is a global broking and advisory firm with forty years experience selling businesses.

Transworld brokers specialise in helping owners sell their businesses profitably, and buyers acquire businesses that meet their needs.

We do this with an eye to marketplace movements, economic cycles, industry trends, and family succession plans in strictest confidentiality and with the ambition of maintaining value and maximising your sale price.

5 steps to a profitable sale

1. Seek advice early

2. Prepare financials

3. Confidentiality

4. Tidy up

5. Keep growing sales



"I need to understand how to value my business and how long it might take to negotiate a sale."

01

SEEK ADVICE EARLY

Planning your exit while running your business is an important strategic move. It's as critical as knowing your marketplace, monitoring your competitors and focusing on profitability.

Preparing an exit strategy early on in your business life cycle will assist in maximising your return when you sell the business.

If you've not already thought about how you might sell your business, it's time to plot your exit plan.

It's important to think about what specific attributes of your business make it a valuable acquisition.

The exit plan should deal with:

- Anticipated timeline for an exit.
- The value of the business and the assets.
- The opportunities and risks present in the market.
- Current and projected growth rates.
- A transition plan for staff, clients, customers and suppliers.
- A personal transition plan defining your role after you sell.
- A handover plan for new owners which should include a training program.

It's never too late....

Seek professional advice on your exit plans as early as possible to allow time to explore a range of options to maximise your outcome.



02

YOUR BALANCE SHEET IS YOUR BILLBOARD

Prepare financials

A healthy balance sheet and well prepared financial statements are the best advertisements you can have for your business.

They tell the story of how healthy your business is, taking into account seasonal variances, market cycles, product or service profitability and extraordinary events that shape your profit and loss statements.

Accurate and transparent financials give potential buyers confidence that your business is well-managed, allowing them to focus on the upside of a purchase without fear of unknown gaps or problems buried in the accounting.

One of the key functions of a TRANSWORLD business advisor is to assist you in lowering the perceived risk of the deal.

Take the time now to consider the story your financial statements tell and how attractive they might be to a potential buyer. Make sure you separate out personal expenses such as travel or entertainment that can heavily impact the balance sheet.

Highlight your strengths

In order to attract the best buyers, you need to understand how to properly highlight your business's strengths. The right buyer will want to know that the business can continue to be successful without your leadership. A business that relies too heavily on the current owner's skills could be seen as risky by a buyer.

TIP: Separate personal assets from the business

Review any personal items paid for by the business, such as travel, entertainment or items for personal use. Separating personal and company expenditure can make a big difference to the selling price.

What documents do I need to prepare?

- ✓ **Financial Information:** Profit & Loss statement and year to date BAS statements.
- ✓ **Business Name Registration:** Copy of your certificate of business name registration, ASIC key, copies of Trust Deed if a trust is involved.
- ✓ **Asset Lists:** A list of physical assets including stock and receipts or contracts for equipment.
- ✓ **Intellectual Property Lists:** A list of your intellectual property such as brands, trade marks, websites and social media accounts.
- ✓ **Lease:** Registered lease agreements and copies of current invoices for rent and outgoings and insurance policies.
- ✓ **Licence & Permits:** Federal, state and local licenses and permits that are required to run your business. For example, liquor licences, food and waste permits, and footpath licences.
- ✓ **Employees List:** Employee's name, position, start date, pay and entitlements. Any agreements with third parties.
- ✓ **Supplier & Customer:** If any agreements are verbal, such as supply agreements, prepare written agreements to protect your business.
- ✓ **Business History and Market Data:** When your business commenced, a business plan and information on your industry.
- ✓ **Franchise Agreements:** Copy of all franchise agreements.



03

A QUIET SALE IS A GOOD SALE

Keep it confidential

You'll want to make a noise when selling your products and services so you can attract the biggest audience of buyers, but that's the last thing you want to do when you're selling your business.

Having employees, customers and vendors learn of a possible sale can have devastating consequences on the business. Customers may leave, employees may seek out other opportunities and the valuation of your business may decrease. These issues weaken your bargaining position as you negotiate with potential buyers.

Confidentiality works best when selling a business because it avoids creating the impression that a sale is needed urgently and keeps competitors in the dark. Importantly, most buyers prefer not to have their intentions broadcast to the marketplace.

Here are TRANSWORLD'S five ways to keep a sales process confidential:

1/ Seek professional guidance

A TRANSWORLD business advisor will help set up the appropriate non-disclosure agreements and analyse the business, structure the sale, advertise the company, and qualify buyers - all while keeping the sale confidential.

2/ Advertise the sale using blind ads and listings

After analysing the business, a TRANSWORLD business advisor will generate a highly attractive and accurate business advertisement without revealing its identity.

3/ Pre-qualify buyers before sharing further information about the business

Finding the right buyers helps maintain confidentiality. A seller will only need to reveal more information about their business to buyers who have the purchasing capabilities and the intention to buy.

4/ Have the qualified buyers sign a Confidentiality Agreement

More than anything, this reminds both parties to maintain confidentiality and formalises that agreement.

5/ Disclose information to key employees only

This can avoid key employees from feeling uncertain and seeking their own exit at a very important stage in the process.



04

Make a good first impression count.

First impressions do stick. Unless you're aware of that, and work towards creating a consistently excellent first impression, you will never know who you turn away from your business.

Every visitor or customer is a potential business buyer.

If they enter an unwelcoming environment, are left to wait or treated with discourtesy, the impression they take away will count against the business in negotiations.

Potential buyers want to see businesses that are efficiently run. That doesn't mean they have to be letter-perfect operations or feature

high-quality fixtures and furnishings, but it does mean that businesses should show an orderly, clean and professional face.

Consider your first impression by reviewing the following

Premises: Clean and tidy, well-executed layout and brand.

Marketing materials: Well-written, engaging and effective.

Staff: Welcoming, well-presented and knowledgeable.

Offering: Clearly demonstrated, priced competitively and readily available.

As an owner it can be difficult to look at your business through the eye of the buyers. Your TRANSWORLD business advisor will help identify what changes will yield the biggest results and count towards achieving the best possible price for your business.



05

KEEP GROWING SALES

Stick to your business strategy.

A common trap sellers fall into is once they make the decision to sell they subconsciously take their foot off the pedal. They start focusing on life after the sale and the business performance can suffer. Business that are growing sell faster and for more than those that are stable or in decline. It's critical that sellers stay engaged and proactive in the business while the business is being marketed if you want to achieve the best possible result.

- Keep focused and engaged in your business
- Be patient, many businesses take more than 12 months to sell
- Maintain existing stakeholder relationships with customers, suppliers and staff
- Pursue growth opportunities when they arise.

This will help command a higher price

There might be many 'tyre kickers' who enquire about buying businesses with no real intent or capability to do so and even genuine buyers can be a significant distraction and cause of distress to owners and staff alike. One of the key benefits of engaging a TRANSWORLD business advisor is that they allow you to continue to focus on your business while they manage the sale process, dealing with enquiries and guiding buyers. This ensures you achieve the best possible result, minimising risk and stress and maximising your return.



REASONS TO CHOOSE TRANSWORLD

1. We're analysis driven so you get the facts

We analyse your business, your market, trends, prospects and projected growth and apply time-proven valuation techniques to identify the best possible sale price for your business.

2. We structure the sale

We bring vast experience and fresh analysis to the process of structuring your sales pitch to create the best possible outcome.

3. We bring the power of our network to the process

Your TRANSWORLD business advisor uses the Global Transworld network to confidentially market your business. You'll have hundreds of representatives on your sales team.

4. Strategic marketing to maximise your selling price

Our marketing program includes an intensive advertising campaign and exclusive database outreach, all while ensuring confidentiality.

5. Our buyers are pre-qualified

Potential buyers are pre-screened to understand their motivation and financial capacity. They sign confidentiality agreements to ensure competitive advantages are maintained.

6. We coach buyers

We know what you want and what buyers need so we can effectively bring all parties together in a confidential and competitive environment to maximise the sale price and transfer of ownership.

7. We negotiate the best price

Our skill and long experience negotiating business sales will ensure you get both the best price and the ideal conditions for selling.

8. We take the pain out of due diligence

We work with the banks, accountants, lawyers, landlords and other professionals to smooth the transaction process and ensure it takes place in a timely manner.

9. We support the entire sales lifecycle

We're with you from the moment you decide to sell to the day you hand over the keys, assisting in the management of administration, stocktakes, lease assignments and staffing.

10. And we're with you for your next business adventure.

As your trusted advisor, we're with you to assist in whatever business venture you decide to embark on next.



It's always the right time to work with TRANSWORLD

Whether your exit plan is fully fleshed out, preliminary or simply a notion, it's never the wrong time to take professional advice.

Taking charge of your financial future is the greatest way to build your wealth and partnering with TRANSWORLD is a secure step towards achieving your goals.

Contact your TRANSWORLD business advisor today for a discussion about your future ambitions.

Visit our website to learn more www.tworld.com.au

What our clients say



"My TRANSWORLD agent made the process as organised and seamless as possible. He was there any time we needed him, no matter how big or small the question was. He really helped set our minds at ease during a time that can be very stressful and somewhat confusing."

David Brooks, Victoria



"My TRANSWORLD agent kept us advised continually as to how things were progressing. When there was a breakdown in the sale he proved to be a strategist par excellence."

Michelle Tilmour, Queensland

TRANSWORLD

Before you decide on selling your company, you owe it to yourself to contact TRANSWORLD Business Advisors. There is no obligation, just a confidential conversation about how to sell your company and how much it is worth, now and in the future!

TRANSWORLD guarantees that our highly professional brokers will be able to offer you sound advice and insight into selling your business in your first meeting.

TRANSWORLD
BUSINESS ADVISORS

 **1300 423 748**