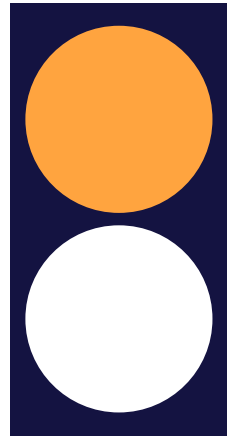


COMMERCIAL LAW

**ARTICLE: TEN TIPS FOR SELLING
YOUR BUSINESS**

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Overview

As experts in commercial law, at Ezra Legal we frequently assist clients who are contemplating the sale of their businesses. The process of selling a business can be intricate, necessitating comprehensive knowledge and preparation. In this article, we are sharing ten simple tips to guide you through the process of selling your business efficiently and effectively.



Selling a business

Top Ten Tips

<p>1.Strategic planning</p>	<p>Selling a business demands meticulous strategic planning. Initiate the process by outlining your objectives, establishing realistic timelines, and determining your preferred sale price. A well-defined plan will serve as your compass, enabling you to make informed decisions at every juncture.</p>
<p>2.Engage professional counsel</p>	<p>Engaging the services of an experienced solicitor specialising in business sales or commercial law is paramount. A solicitor will deftly navigate the legal intricacies, diligently review contracts, advise you of any additional documents you need to protect your business, and then facilitate a seamless transaction.</p>
<p>3.Financial Record Keeping</p>	<p>Prospective buyers will scrupulously examine your financial records; therefore, it is imperative to ensure their accuracy. Organise your financial statements, tax returns, and other pertinent documents meticulously to provide a comprehensive overview of your business's financial health. Buyer's will likely want to view at least 3 years' worth of financial records and any dispute claim can involve events going back at least 6 years, so ensure your records accurately reflect the financial position and growth of your business.</p>
<p>4.Accurate Business Valuation</p>	<p>Determining the appropriate asking price for your business is pivotal. Collaborate with a business valuer or a qualified accountant to objectively assess its value. Overpricing or undervaluing can deter potential buyers or result in a loss on your part.</p>
<p>5.Enhancing Business Appeal</p>	<p>Maximise the appeal of your business to prospective buyers. Prioritise the maintenance of your premises, streamline operations, and concentrate on bolstering profitability for at least 12 months before listing your business for sale.</p>
<p>6.Confidentiality</p>	<p>Maintaining strict confidentiality throughout the sale process is paramount to safeguarding your business's interests. Only disclose sensitive information to serious buyers who have executed some version of a non-disclosure agreement (NDA). Additionally, it is prudent to avoid informing your staff about your intention to sell, as this knowledge may trigger a significant staff turnover that could impact the smooth functioning of your operations, as well as completion of the sale.</p>
<p>7.Engage a Business Broker (if applicable)</p>	<p>Depending on your business's size and nature, consider enlisting the services of a reputable business broker to facilitate finding potential buyers and navigating negotiations. Their involvement can alleviate some of the burdens associated with the process.</p>
<p>8.Comprehensive</p>	<p>Work closely with your solicitor to ensure meticulous preparation and</p>

Contractual Compliance	<p>review of all essential contracts and legal documents. This encompasses sale agreements, warranties, leases, licenses, and any other pertinent documentation. It is also crucial to verify that the remaining lease term is sufficient for a prospective purchaser; otherwise, negotiating a lease extension with the Landlord may be necessary to enhance investor appeal, which can delay or even jeopardise a potential sale.</p>
9. Rigorous Due Diligence	<p>Buyers will conduct extensive due diligence to assess the risks and potential of your business. Be prepared to furnish accurate information, promptly address inquiries, and mitigate any concerns that may arise during this phase. Having all your business documents, including information regarding debtors and creditors, employee entitlements, inventory, and any security interests ready to hand will allow you to receive the best advice as efficiently as possible.</p>
10. Focused and Effective Communications	<p>The sale of a business can be a time-consuming and emotionally taxing process. Maintain unwavering focus on your objectives, keep regular open lines of communication with your solicitor, and don't be phased if there are further negotiations and potential obstacles along the way.</p>

Summary

Selling a business represents a significant decision requiring much deliberation and expert guidance. By adhering to these ten tips, you can enhance the likelihood of a successful sale and ensure a seamless transition for both yourself and the buyer.

At Ezra Legal, our team of commercial lawyers know that clear and accurate commercial advice on legal compliance is critical to your commercial success. We provide commercially relevant legal and strategic advice on complex business transactions, striking the right balance between legal considerations and commercial reality.

Contact Information

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