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Eastside Business

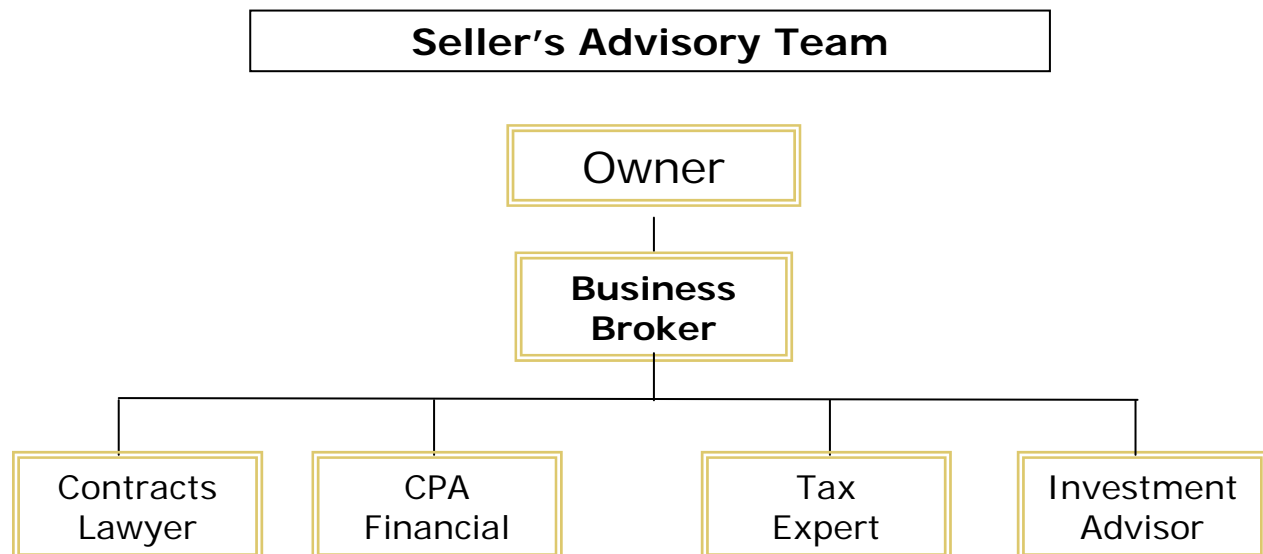
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By Peter Busacca, CBI

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Last month I discussed the key steps involved in selling a business. According to the International Business Brokers Association (IBBA), there are over 200 individual steps involved in most business sales. Selling a business can be a complex process, particularly for mid-sized and large firms. If you are a business owner considering the sale of your company, I recommend that you surround yourself with a team of professional advisors to help guide you through the process.



How else will you get top dollar and a smooth transition? I highly recommend that you hire the expertise needed. These folks will save you money, and will ensure that you have the information you need to make an informed decision.

Business Broker: First and foremost, hire a professional business intermediary. The best of the best can be found at www.ibba.org, the web site for the International Business Brokers Association. Look for those with a CBI designation. A professional business broker will lead you through the entire process, will help you prepare and package your firm for sale, will market your company confidentially, and will help you obtain top dollar while minimizing the interruptions to your business operations.

Contracts Lawyer: Next, find a lawyer that emphasizes business contracts and acquisitions in their practice. It is important to find those that have practical experience in writing contracts for the purchase or sale of businesses. Browse to www.wsba.org for a list of lawyers.

Certified Public Accountant: A CPA can help you and your broker prepare the financial and tax documentation needed by the buyer and their banker. This included several years of income and tax statements, and ideally will include balance sheets and cash flow

statements as well. For a listing of the CPAs licensed to practice in WA, check out the Washington State Board of Accountancy at www.cpaboard.wa.gov. Why not use your bookkeeper or accountant? They will be out of their element in this situation, and a CPA with experience in financial reporting will be invaluable.

Tax Expert: Taxes affect the structure of a deal and the amount you take home. To understand the tax issues, seek advice from a CPA or a lawyer that specializes in taxes. These folks aren't easy to find, and your business broker probably knows several who can help you.

Investment Advisor: What are you going to do with the windfall you are about to receive? You'll want professional advice from a certified investment planner or investment broker, especially if you intend to do charitable contributions.

You may already have a CPA who does your company's books and taxes. You may even have a lawyer you've worked closely with in the past. Your CPA can probably fulfill the role of CPA Advisor above, but think twice about your lawyer. In fact, think about that lawyer as you would your family doctor. They know you well and they care about your well-being, but if you had cancer or spinal problems, wouldn't an oncologist or neurologist have the specialized knowledge needed to save your life?

In the same vein, your CPA may prepare your taxes, hire a tax specialist anyway. Similarly, your lawyer may know your company, but hire a contracts and acquisitions specialist. Investing in these pros will save you money, time and aggravation.

When is the best time to hire these folks? If your firm is generating a significant amount of cash flow, then hire the business broker and CPA (if you don't already employ one) about one year before you wish to sell. The others can be hired once the broker begins actively marketing your company.

If your company is not generating a healthy amount of net income compared to others in your industry, then seek their advice early. The broker and the CPA can review your records and advise you on the areas that need to improve to make the company attractive to buyers.

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