

## Ensuring you achieve your goals through the sale of your business.

**Selling your business can be an overwhelming and time consuming task, but with the help of your CIBC business advisor, we can ensure the sale process is efficient, effective and can allow you to realize your financial goals.**

**Here are the top 10 things you should do when selling your business:**

**1) Understand how companies are valued.**

It's important to be realistic when determining the value of your business. Seek advice from qualified professionals who can help by analyzing precedent transactions and/or discounted cash flow to make sure you get the most out of the sale of your business.

**2) Timing is everything.**

Make sure that you've picked the right time to sell. It's important to weigh three key factors that will affect the value of your business: economic factors and industry trends, your business's performance and your personal considerations.

**3) Identify the right buyer.**

Whether you're planning to sell your business to family, a partner, a strategic acquirer or a private equity buyer, the type of buyer you select will affect the purchase price of your company. If you're selling to family, make sure all family members involved understand the process and how it will impact them. It's also

important to decide on the level of involvement you want to have post-sale. For example, if you want to stay involved in the day-to-day management of the company for a period of time, a private equity buyer, who would be looking for management to stay on and run the business after sale, is a better fit. An acquirer looking to buy your business to fulfill a strategic objective, such as acquiring a new product or entering a new market, is more likely to take complete control of the business.

**4) Develop a process.**

A competitive process will enable you to maximize value from the sale of your company. Your process should include how you intend to position your company, attract interested buyers and how many buyers you're willing to entertain. You should also identify how you will receive and review offers, as well as how long you want the acquisition process to take.

**5) Understand your buyer.**

It's important to know the purchaser's motivation prior to the purchase of your company. Determine what benefits they will receive and synergies they will realize as a result of buying your company and formulate your value proposition accordingly. Discover what previous acquisitions potential buyers have made recently, what they paid for them and how much capital they have access to.

**6) Be prepared to extend acquisition financing to the incoming owner.**

If you have financing available, make sure that it can be transferred to the new owner easily. Consult your CIBC business advisor to identify efficiencies and simplify the process of transferring your business's financing over to the new owner.

**7) Be fully prepared for the due diligence process.**

Make sure all legal documents and financial statements are in order. It's also up to you to make sure the premises are in optimal condition and that any deficiencies have been fixed.

**8) Be savvy in your negotiations.**

Keep your emotions as far from the negotiating table as possible. It's best to

avoid offering up too much information. Don't give away exclusive negotiating rights too soon, but try to avoid letting the process drag on for too long.

**9) Maximize your return.**

Consult your CIBC business advisor and find out how to manage the proceeds of your business's sale and limit tax exposure – allowing you to reach your financial goals.

**10) Keep your team focused.**

A sale process can be a time consuming, emotional and distracting process for a business. Ensure you have a strong team in place to focus on running the business and delivering financial results throughout the sale process.

**Your CIBC business advisor can help by putting together a team of experts who can advise you as you begin the process of transitioning your business to new owners. Discover how working with CIBC can help you achieve your business and personal goals.**

**For more detailed information, please speak with your CIBC business advisor.**



**For what matters.**