



Checklist

Prepare your business for its sale

Preparing a business for sale requires a lot of planning and the help of many advisors. Use this checklist as a reminder of what you can do to increase the value of your business before its sale.

1 Understand why you're selling

- Meet with a mergers and acquisitions specialist or an exit planning strategist to help you determine the why, what and when of your sale.
- Identify personal events influencing the sale.
- Identify market events influencing the sale.

2 Determine what you want to achieve by selling

- Identify when you want or need to sell and under what conditions.
- Calculate how much you would like to make from the sale of the business.
- With the help of your M&A specialist, compare your expectations with typical industry norms.

3 Gather a team of advisors to guide you

- | | |
|--|--|
| <input type="checkbox"/> Strategy advisor | <input type="checkbox"/> Banker |
| <input type="checkbox"/> Accountant | <input type="checkbox"/> Insurance broker |
| <input type="checkbox"/> Lawyer | <input type="checkbox"/> Family advisor |
| <input type="checkbox"/> Commercial realtor | <input type="checkbox"/> Business broker |
| <input type="checkbox"/> Estate planner or financial advisor | <input type="checkbox"/> Business valuator |

4 Clarify the management structure

- As the owner, evaluate how easy it would be to separate yourself from the day-to-day management of the business.
- Create clear role descriptions and responsibilities for a second tier of management (chief financial officer, general manager, etc.).
- Identify risks in the current management structure and lay out risk mitigation strategies.

5 Complete a technology audit

- Question if you have the right technology for the task at hand.
- Determine who owns your technology. Do you rely on subscription-based technology or product licenses? Will you have to transfer it to the new owner?
- Identify how much training is required and at what frequency for employees to use the technology effectively.
- Identify how frequently and at what cost technology requires updating or maintenance.

6 Document your human resources and culture

- Describe your company's workplace culture to inform a potential buyer.
- Document any unusual work arrangements (work-from-home policies, time off for appointments, expectations of overtime and vacation).
- Identify the roles and responsibilities of employees and put them in writing.
- Map out the current management structure.
- Review your company's experience with hiring, onboarding and employee retention, and make improvements as necessary.
- Identify any positions that are difficult to fill or where there is high turnover.
- Map out training schedules, employee development programs and other non-financial incentives.
- Note down any promises on raises, promotions, transfers in your team as well as any recent disciplinary incidents and actions.

7 Analyze your finances, bookkeeping and profitability

- Ensure you have proper processes in place for bookkeeping and accounting that a new owner could use going forward.
- With your accountant, go through the company's books to determine historical trends in costs, revenue, profitability and losses.
- Identify any areas where you may have mixed business and personal finances.
- Identify financial risks that could affect your business.

8 Review your marketing and sales process

- Clearly set forth your value proposition, competitive advantage and market positioning.
- Identify your main competitors and how you differentiate your business.
- Identify how the market is evolving and create a strategy to respond to changing customer needs.
- Map out and optimize your current sales process.
- Define your key performance indicators to track prospects as they advance through your processes.
- Forecast your future sales based on historical sales and growth plans.

9 Optimize your operations

- Map out your processes (production, delivery, price setting and creating quotes), establishing the roles and responsibilities of various employees.
- Determine if processes are consistently followed by employees. Create an operations manual, if needed.
- Map out risk management procedures not already identified.
- Itemize any obsolete inventory.

10 Examine your intellectual property

- Meet with an IP lawyer to itemize your intellectual property, an important part of your company's [intangible assets](#).
- Find out if your brand and associated assets are copyrighted.
- Itemize any patented materials, ideas, products or processes.
- Summarize the details of the patents, including geographical and time limitations.
- Identify any processes, procedures or manuals that are unique to your business.
- List any certifications and licenses associated with your business.
- Determine which of these licenses are transferable as business assets versus those that the new owner will have to apply for on their own.

Get help to prepare your business for its sale

Our experts can help you take the appropriate steps to increase your business's value and maximize its sale price.

→ **Contact us to learn more**

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