

A photograph of a man and a woman in business attire looking upwards and to the right against a blue sky with light clouds. The man is in the foreground, wearing a dark suit, white shirt, and red tie. The woman is behind him, also in business attire.

Getting the Most Out of Your Business Checklist

*“One day you will sell
your business. The best
time to start thinking
about it is now”*

When you are running a business and are making strategic decisions or even just little decisions, you should always be thinking about how the decision will impact on the value of your business and how it will affect your exit strategy.

With just a little thought you can shape your business so that when the time to sell is upon you you will know with a fair degree of accuracy:

- Who might buy
- How much you might be able to get for it
- When it might sell
- Why someone might buy it.

With this in mind we have developed this checklist for you to rate how well prepared your business is for sale.

Remember it is not just how much money you are making that counts. More important is whether you will be able to convince a buyer that they will be able to make that amount too. If you can, your business will be worth much more than the average business like yours that is making the same amount of money.

If you want help in the process of **Maximising your Business Value**, see our website or contact us about further coaching assistance we offer in this area.



Evaluate Your Business – Checklist for Increasing your Business Value

Tick the circle that best represents your answer to the questions below. If any question is irrelevant for you then disregard the question and take 5 points off the total. It is the percentage that is important.

Know Your Business	Not at all			Certainly	
	1	2	3	4	5
1. Would you buy your own business?					
2. Have you done a SWOT on your business?					
3. Is your business in an industry or market that is growing?					
History of Ownership					
4. Have you owned your business more than 3 years?					
5. Have there been less than three owners in seven years?					
Image and Brand					
6. Does the office/factory/shop present well?					
7. Do you have brand recognition in the marketplace?					
8. Do you have recent client testimonials?					
9. Do you have a regular and systematic PR campaign?					
Clients and Suppliers					
10. Do you have contracts with suppliers, if needed?					
11. Do you have contracts with clients, if needed?					
12. Do you have written contracts with agents, if needed					
13. Is there an even spread of clients (none more than 15%)?					
Intellectual Property					
14. Are Trademarks Patents and Designs registered, where necessary?					
15. Do you own the copyright on your website?					
16. Do you have an IP Database?					
Lease					
17. Is the lease long enough for a purchaser to take over?					
18. Will the landlord grant a longer lease if required?					
Reason For Sale					
19. Is the reason for sale genuine?					
Employees					
20. Is there a detailed register of employees with job descriptions, pay rates etc?					
21. Can you safely tell your staff about the sale before exchange of contracts?					
22. Are staff well paid (at least above award)?					
23. Are staff paid all wages on the books?					
24. Are staff well trained?					
25. Is staff turnover low?					
26. Is there a risk of key staff leaving and taking clients?					
Your Role					
27. Are you relatively unimportant to the business?					
28. Could you safely take a holiday for two weeks?					
Computerisation					
29. Is your business computerised as highly as possible?					
30. Is your database of clients clean and usable					
Sub total					Score: _____ / 150



Divide your score by the total points (300) to find your percentage score.

Your Score: 40-50%	Your business will leave most of the value to the buyer
Your Score: 50 to 65%	Looking good but you still need to fine tune so as to unlock premium value.
Your Score: 65 to 80%	You can expect to receive around 25% more than the average price for a business like yours.
Your Score: above 80%	You are in great shape. You know how to build businesses, so sell now and start again on a new venture or buy another business where you can make the most of your skills.

Further information

You can scan and email this completed form to: **BCI Business Brokers at: tarena@bci.net.au** and we will give you a no obligation summary analysis of your business and its readiness for sale.

The questions above are designed to start the thinking process around matters that can be crucial to a successful sale.

Prudent preparation can often make the difference between a sale going through or falling over.

Supplementary questions that should be asked before you put the business on the market? Answer

1. When would be the perfect time for you to sell the business?	
2. Will you sell the shares in the company or the assets of the company?	
3. Will you transfer leases in any equipment/plant/fitout?	
4. Would you consider an earn-out clause , where you would receive part payment initially with the balance over time based on the performance of the business?	
5. What are the things you would look for in a business broker ?	
6. Will you allow the buyer to do due diligence and what will you make available for inspection for that process?	
7. Who would be the ideal buyer for your business?	
8. Do you have a target price for your business?	
9. Do you know what the landlord's attitude would be to a request for a longer lease , if applicable?	
10. Would you offer vendor finance to the buyer and for what portion of the sale price and on what terms?	
11. Are you prepared to sign a non-compete clause? For how long and offering what radius of protection?	
12. Will you assist the purchaser during handover and for how long?	
13. Would you be happy to stay on after sale for an extended post-sale period and on what terms?	
14. Would you consider selling part only of the business?	