

# JPAbusiness



Advice • Valuations • Transactions

## Selling a Business Planning Sheet

Questions	Notes	Actions
<p><b>1. Why are you selling? What is your objective?</b></p> <p>Write down your reasons for selling – this will help you create a negotiation framework to determine what an acceptable offer might be.</p>		
<p><b>2. Have you discussed your objective in selling with your business partner, spouse and/or advisor?</b></p>		
<p><b>3. How much is your business worth?</b></p> <p>Getting a <a href="#">valuation</a> as to the likely fair market value of your business is critical to making decisions against your objectives – you need to know what is a realistic market price.</p>		
<p><b>4. What help do you need to sell the business?</b></p>		

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5. Do you have a solicitor experienced in business sales?		
6. Have you spoken to your accountant about the potential tax impacts and also benefits and minimisation opportunities of different types of sales i.e. <a href="#">asset sale</a> versus <a href="#">share sale</a> ?		
7. If you are placing the sale in the hands of a professional business broker or advisor, have you evaluated their: <ul style="list-style-type: none"> <li>• experience and track record</li> <li>• project management skills</li> <li>• communication skills?</li> </ul>		
8. Have you prepared a professional, credible information package on your business?  (If using a professional broker or advisor you will need to supply detailed information on your business to aid in the preparation of this information package. You can use our free <a href="#">Information Memorandum Checklist</a> to help you do this.)		

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<p><b>9. Have you prepared a marketing plan for the sale?</b></p> <p>Who is the target market and how are you going to best reach them and seek their interest?</p>		
<p><b>10. Are you prepared to ask the hard questions to pre-qualify interested parties?</b></p> <p>For example:</p> <ul style="list-style-type: none"> <li>• Why are you interested in my business?</li> <li>• Do you have funds at hand to purchase a business?</li> <li>• If you do, how much do you have and how are those funds available? Are they liquid? Are they sitting in an asset?</li> <li>• Do you have the necessary background and experience to successfully run this business?</li> </ul>		

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<p><b>11. Have you prepared a confidentiality agreement for interested parties to sign?</b></p>		
<p><b>12. Are you prepared to host site visits?</b></p> <p>When should a site visit occur and when should you share sensitive information on the business?</p>		
<p><b>13. Are you prepared to push interested parties to make a clear offer and how will you manage initial offers? Will you accept verbal offers?</b></p> <p>For example, we tell clients that non-binding offers must be documented and include:</p> <ul style="list-style-type: none"> <li>• the price a party is willing to pay;</li> <li>• their understanding of, and requirements for, specific sale terms and conditions;</li> <li>• their position on whether they have finance available, and</li> <li>• any special requirements they have prior to exchanging a contract and completing a sale.</li> </ul>		

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<p><b>14. Do you know how to prepare a heads of agreement, or term sheet?</b></p>		
<p><b>15. Do you have a means of sharing sensitive legal and commercial information during the detailed due diligence process?</b></p> <p>For example, we use data rooms to give restricted access to people involved in transactions.</p>		
<p><b>16. Do you understand the concept of ‘black box’ information and how it can be retained until after the sale is binding?</b></p> <p>(See Step 9 of our <a href="#">Business Buying Funnel</a>.)</p>		
<p><b>17. Do you understand how to manage ‘condition precedents’ post-exchange, but pre-completion?</b></p>		

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<p><b>18. Are you prepared to share the risk of a sale?</b></p> <p>For example, this may involve:</p> <ul style="list-style-type: none"> <li>• working in the business for a set period post-sale</li> <li>• leaving a portion of the sale price in the business to be paid as an earnout, or deferred payment.</li> </ul>		
<p><b>19. Are you prepared to manage the final legal documentation process, including exchange and settlement?</b></p> <p>There are pitfalls to be aware of and our suggestion is always to have an advisor on your side helping you through this process.</p>		
<p><b>20. Do you have the necessary preparations in place for the business to transition to a new owner?</b></p> <p>Our free <a href="#">Business Transfer Checklist</a> can help you prepare.</p>		

**JPAbusiness** offers a range of services to assist business sellers, including:

- Valuations and market appraisals
- Business sale preparation and marketing
- Managing expression of interest process
- Providing negotiation support and ongoing assistance to sale completion.

If you are thinking about selling your business, contact the team at JPAbusiness on **02 6360 0360** for a confidential, obligation-free discussion.

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