

How Well is Your Business Doing?

Lets look at how well your Business sells its stuff. What I mean by that is... have you been able to make a go of your Business? Is your business making a profit? How does your Business make money?

A learned Broker once said to me:

"What a buyer buys is profit, the reason they buy it is for the potential".

If you're not able to demonstrate how you have made a go of your Business, how it is turning over revenue, paying all its bills and leaving profit for you as the owner to do with what you will... then how can you expect a prospective buyer to believe that it's possible and be able to weight its value.

Granted, there is always the acquisition of a business from a strategic point of view (ie buy it for its client list for example), but that really does depend on a particular type of buyer, and they're not likely to reveal that to you, the seller, are they?

Having a business as an asset implies certain criteria is being taken care of, that it has:

- o a database of clients/customers
- o systems in place, and ideally automated
- o brand presence
- o looked after its IP
- o growth potential
- o management, so it's not reliant solely on the owner
- o numbers that make sense, and have been reported

- o measurable ways of indicating how all of the above makes profit!
- o assuming all goes ahead, options on how to make the sale happen

If any of the above cannot be qualified, then it raises the question of whether this business is actually an asset, ready for sale.

The answer may very well be no.

However, that's not to say that parts of the whole cannot be sold and some payback realised. It may mean though that the vision of grandeur dreamed about come sale day will not eventuate after all...

Start with the end in mind TODAY, regardless of how old your business is, and slowly but surely think through how well your Business does, what you can do to improve it, restructure it, have it show the profit that all buyers are looking to score!

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