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**About Chairmen's RoundTable**

The Chairmen's RoundTable is a non-profit volunteer organization comprised of current and former CEOs with extensive Board of Director experience and diverse industry backgrounds. They provide businesses in San Diego County with priceless business advice and mentorship, free of charge, as a way of giving back to the community. CRT's well-defined mentoring program is ideal for companies at a strategic crossroads that are looking to gain an outside perspective on key business issues.

# QUESTIONS & ANSWERS

*Question:* How do I prepare my company for sale?

**Answer:** Are you thinking about selling your business? If there is a possibility of a sale down the road, there are several key items you should be addressing now. First, be sure you are watching profitability. While this is generally a priority for most businesses, a track record of sustained profitability weighs heavily in company valuation. Watch your expenses and spend only on absolute necessities. This will also help you to maximize positive cash flow, which is very important to buyers.

Remember that recurring revenues and repeat business represent real value to potential buyers. If you can build these into your revenue stream, do it. And be sure to keep those long-time customers happy. A buyer wants to see consistent revenue streams and long-term customer relationships.

While top-line growth is a key indicator of how successful you have been, buyers understand that your revenues do not tell the entire story. If you have an exceptional product or service, you may still be attractive to a buyer. They will want to see strong market potential, customer references (Blue Chip clients are a plus), and partners, alliances or certifications that validate the strength of your offering.

Potential buyers will also be evaluating your management team. They will not only be buying what you're selling, but the team who is building and marketing what you're selling. They will be looking for a team that can keep the business operating smoothly, especially if you won't be there. Or they may be looking at how your team can complement their own and how easily they can be integrated into their larger corporate entity.

Finally, run a clean operation. Make sure you are the legal owner of your assets such as intellectual property. Your contracts should be clear and defensible. And your company should be managed with the utmost integrity.