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What IS my business worth?

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When selling a business, owners time their exits for many reasons: health, retirement planning, availability or lack of family successors, competition, technology change and many more. Yet overwhelmingly the question most often asked of financial advisors by entrepreneurial companies is "what's my business worth?" Mark Van Mourick, CEO and president of <u>Optivest, Inc.</u>, provides five tips to help enhance the value of a business.

- **Protect Your Business during the Selling Process:** Selling a business becomes a second career. For most sellers that means finding more time in their current 60-hour week. When this happens the business can suffer. That can directly impact the value during the three to 12 month selling period needed to complete the transaction. Make sure to stay focused and do not let the business slide by the wayside.
- Listen to the Market and Execute Precise Timing: Sometimes sellers miss their best deal because it is not the deal they want, only to settle later for a lower offer. If knowledgeable buyers have evaluated the business and negotiations have resulted in final offers, it's likely these offers reflect the true value of the business. Or it may be best not to sell, and instead continue operating the business until market conditions turn more favorable.
- **Provide Solutions for the Buyer:** Search for any negatives or problems in the business and be prepared to provide solutions to the buyer. If presenting a negative is necessary, immediately have a ready supply of two or more solutions or positives.
- Have Audited Financial Statements: Most business brokers concur that audited statements will help increase the purchase price.
- Gain More Value by Staying on the Train: Often, a seller will retain equity position in the business following the sale. Even though a retained equity interest may be small, the ongoing interest could produce additional value that exceeds the initial sales price.

Mark Van Mourick, president of <u>Optivest, Inc.</u>, is a money manager and Registered Investment Advisor with nearly 35 years of professional experience. Van Mourick is well-known for his financial knowledge and holistic approach on wealth management planning, business exit and succession planning, investment management for high wealth individuals and families and multi-family office services. He is the author of "Cash Out, Cash In – The After Success Investment Guide," which is aimed at the demanding needs of families and business owners with one million to one billion dollars of capital to invest. For more information, please visit <u>www.optivestinc.com</u>.

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