

How to successfully sell your business



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- All the attendee mics are muted - you can hear us but we cannot hear you
- This session is being recorded - we will send you a link to the recording and a downloadable copy of the slides after the event
- If you have any questions please use the Q&A function to ask them - we'll cover the questions at the end if we have time otherwise we will follow up with you individually



- How to establish the amount you need to be financially independent
- What part the value of your business plays in that figure
- How to optimise your eventual sale price
- Understand the pitfalls and how to avoid them
- Q&A

- HFMC Wealth is an Independent Financial Planning Practice
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- Chartered Financial Planner specialising in advising business owners
- 25 years experience
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What's your number?

- Answer: It's the amount you need to live the lifestyle you want
- Step 1 = Map out what you need
- Step 2 = Map out what you have got (or might get!)
- Step 3 = How aligned are they?
- Step 4 = What planning is needed?

- Are goals/aspirations realistic/Are you on track?
- Objective assessment
- You know your number
- Map out multiple scenarios and compare side by side
- Roadmap to follow – planning needs flow from this
- Keep under review

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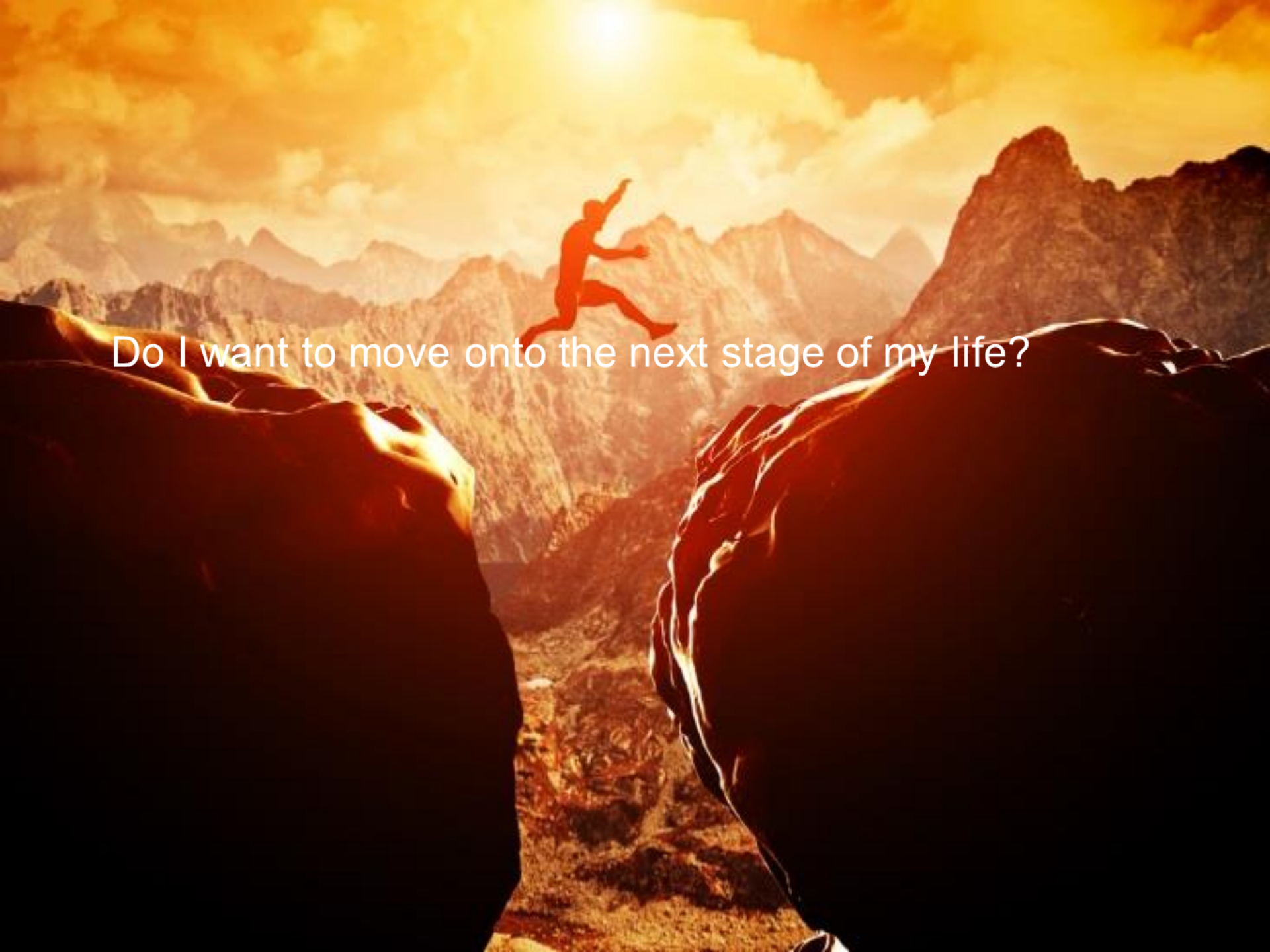
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A person is captured in mid-air, jumping across a deep chasm between two large, dark rock formations. The scene is set against a dramatic, golden sunset sky with a bright sun low on the horizon. In the background, a range of jagged, rocky mountains stretches across the landscape. The overall mood is one of adventure and transition.

Do I want to move onto the next stage of my life?

Why plan for the next phase of your life?

In a recent poll of advisers they were asked the following question:

In your experience do owners plan for the next phase of their lives?

Select one of the following:

Too early?

Too late?

Just about right?



What is the outcome of being too late?

Leave money on the table.

Unforced errors, such as

Shares held for too short a period of time

Lifestyle business

Lured into a deal by a sole buyer who seduces you into a price merely to chop it down later when you become worn-out by the whole thing.

Approach

Once you know your number we can then determine the road to go down.

There are essentially two choices:
Either build value into the business; or
harvest the value that is there.

Financial freedom and risk

Is having 50-60% of your wealth, say, in a company when we have seen over the last twenty years something catastrophic could happen:

9/11;2008 crash; C-19, Brexit and...

How I build Trust.

Privileged position.

It's fundamental to me you receive the best deal.

Specific fees for each part of the marketing and business sale process.

Being honest.



Three part approach

Are you ready to move onto the next phase of your life?

Emotional bit

What's your freedom point?

Financial bit

Do we build value into your company or harvest the value that is there?

End game



Which route will you take?

There are really three routes:

Pass to family members?

Sell for a capital sum?

Wind up the business?

Attracting an offer

Owners' readiness to move to the next stage of
their lives
and
The Owners Trap

Readiness to move on

Business valuation is not an exact science. What is not overlooked by buyers is the owner's intentions , the reasons for exit and the steps taken to prepare the business for a sale.

In my experience these play a significant part in attracting an offer.

The prime problem is the owner's trap.

Owners' Trap – e.g. sales.



What else makes a business sellable?

Growth

Projected turnover

Do you have a business plan

When do customers pay

Percentage of turnover of largest customer

How often do customers need to buy from you

How long have employees been with you

Taxation

Generally the sale of shares is a capital gain and taxed under the Capital Gains tax rules.

Currently there is a relief Business Asset Disposal Relief (BAD).

The gain up to £1million after costs and the annual exemption is taxed at 10%.

That's the simple bit.

This may change in the next budget.

Case Study Coach Operator – where it all went wrong

It took me three attempts to persuade my client not to proceed.

Some of the issues were:

IR 35 and employment status

Change of control

Access to the site

Management structure

Outcomes

To sum up, I hope I have addressed these issues:

You now have an appreciation of the risks of doing nothing and leaving it too late to move onto the next stage of your life;

Understand some of the pitfalls;

The key aspects to increase the chances of receiving an offer so as to optimise your eventual sale price;

The best time to sell; and

The impact of tax on your gross sale proceeds to give you the funds you want for the next chapter of your life...

Contact details

If you have found this webinar of interest, then please do contact me. The details are below. I would be happy to chat with you over a Zoom call or a coffee to understand more about you, your business and what you want to achieve.

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Are there any Questions?

