

The Importance of Owner Flexibility

You shouldn't expect to sell your company overnight. For every company that sells quickly, there are a hundred that take many months or even years to sell. Having the correct mindset and understanding of what you must do ahead of time to prepare for the sale of your company will help you avoid a range of headaches and dramatically increase your overall chances of success.

First, and arguably most importantly, you must have the right frame of mind. Flexibility is a key attribute for any business owner looking to sell his or her business. There are many variables involved in selling a business, and that means much can go wrong. An inflexible owner can even irritate prospective buyers and inadvertently sabotage what could have otherwise been a workable deal.



Be Flexible on Price

A key part of being flexible is to be ready and willing to accept a lower price. There are many reasons why business owners may fail to achieve the price they want for their business. These factors range from lack of management depth and lack of geographical distribution to an overreliance on a handful of customers or key clients. Of course, one way to address this problem is to work with a business broker or M&A advisor in advance, so that such price issues are minimized or eliminated altogether.

Be Prepared to Compromise

In the process of selling your business, you may want to achieve confidentiality and sell your business quickly and for the price you want. However, the fact is that most sellers find that it is possible to have confidentiality, speed, and the price you want, but not all three. Ultimately, you'll have to pick two of the three variables that are most important to you.

Be Patient

A third way in which business owner flexibility can boost the chances of success is to embrace the virtue of patience. By accepting the fact that businesses can "sit on the shelf" for a considerable period of time, you are shifting your expectations. This realization can help reduce your stress level. The fact is that stressed out owners are far more likely to make mistakes.

Sometimes Losing is Really Winning

A fourth way in which business owners should be flexible is realizing that you and your lawyer will not win every single fight. There will be many points of contention, and a smart dealmaker

realizes that it is often better to have a good deal than a perfect deal. You may have to make sacrifices in order to sell your company. Simply stated, you shouldn't expect the other side to lose every point.

At the end of the day, a savvy business owner is one that never loses sight of the final goal. Your goal is to sell your business. Seeing the situation from the buyer's perspective will help you make better decisions on how you present your business and interact with prospective buyers. Maintaining a flexible attitude with prospective buyers helps to position you as a reasonable person who wants to make a deal. Goodwill can go a long way when obstacles do arise.

About TOGA, The Oil & Gas Advisor:

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