

Is Now the Time to Sell Your Business?

Have you been thinking about selling your business but just can't decide if now is the best time? Do you find yourself repeatedly analyzing the economic situation and wishing you had a crystal ball? There are positive signs and there are negative signs...

If you're still up in the air and can't quite decide whether or not to hit the eject button, here are six reasons you might want to consider getting out now.

1. You're less interested in fighting the good fight

A lot of business owners took the Great Recession in the teeth. If you've got your business stabilized and the prospect of possibly having to fight through another recession leaves you panic-stricken, it could be time for you to get out.

2. The worst is behind you

Let's say you were mentally ready to consider selling a few years ago and then 2008 hit and 2009 was bad, and in 2010 and 2011 you made cuts and adjustments, so now you're starting to see some profit and revenue growth. With your numbers going in the right direction now might be just the right time to make your move.

3. The tax man is coming

The government is always looking for money to fund the cost of an aging population. At some point this will mean increased taxes.

4. Nobody is lucky forever

No business or economic cycle lasts forever and right now might be a great time to take some chips off the table.

Continued on next page

5. The coming glut

As a business owner, demographics are not on your side. As the baby boomers start to retire in droves, we're going to have a glut of small businesses coming on the market. That's great if you're buying; but if you're a seller, you may want to avoid the flood and head for higher ground now.

6. The closing window

Since 2008, it's been tougher for private equity companies to raise money; so many firms had their last successful round of fund-raising a number of years ago. Many of these funds have a five-year window in which to invest or they have to give the money back to the people who gave it to them. Some boutique private equity firms will make investments in companies that have at least one million dollars in pre-tax profits (larger private equity firms will not go below \$3 million in EBITDA); so if you're in the seven-figure club, you could get a bidding war going for your business among private equity buyers keen to invest their money before they have to give it back.

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