



PRE-SALE GROOMING

Before selling your home you will probably consider spring-cleaning or even decorating to bring it to its best. Preparing your business for sale requires the same process called “grooming”.

The aim of pre-sale grooming is to get both your business and yourself into tip-top condition to ensure you sell at maximum value.

This means looking at issues that may reduce value and putting them right. This might include updating poorly presented or inadequate information, improving your business environment, the quality of your facilities and enhancing all those positives in the organization, such as registration of IP and quality of staff training.

PRE-SALE GROOMING CHECK-LIST

In addition to a tax overhaul and the essential tidy-up, here is a list of information you should start to gather together and take action on where necessary.

- Completed Tax Returns and any relevant correspondence with Revenue and Customs
- All agreements relating to major customers and suppliers
- All standard terms of business
- All insurance policies and details of any claims made within the past five years
- List of properties owned or occupied with details of use, ownership, rateable value, mortgages and sub-lettings, including copies of leases. Asset register
- Details of patents, trademarks, registered designs, copy rights and disputes that may exist.
- All licenses or consents in relation to the business premises
- Any environmental audit carried out at any premises used or owned by the business
- Current Health & Safety Policy and the last safety audit
- Organisation chart
- Employee contracts
- All other agreements with employees relating to benefits and share options.
- Standard Terms and Conditions together with any Employee Handbook.
- Details of any Company Pension arrangements or schemes in place, together with a list of employees participating in them.
- Details of any existing, pending or threatened arbitration or litigation together with amounts involved.

PREPARE YOURSELF

Vendors will make a number of mistakes through this arduous time, so here are a few issues to take on board.

- Don't attempt to sell your organization without outside help – unless your business is tiny, this is false economy. Astute acquirers will always use professionals and without someone on your side, they will out-smart you on one or more issues.
- Get all your information and business systems in shape before you start the process. This helps towards realistic negotiations and speeds up the whole process.
- Be realistic in terms of both value and time. In other words, ask yourself whether you would pay your chosen price to buy the business. If not, you are possibly starting from an unrealistic position.