

# THE SECRET

## -to successful business marketing

The secret of successfully marketing a business, as with anything else is:

**Presenting it to the right audience in a way that best presents what is of value to them.**

The process of valuing and selling a business encompasses so much more than simply establishing some multiple of a financial ratio to determine a price, sticking an advert in the paper and / or online and waiting for the enquiries to roll in.

**The attractiveness and price/perceived value of anything, including a business, can be very elastic as it all largely depends to whom and how it is presented.**

This fact was bought home to me quite early on in my business career as the proprietor of a jewellery manufacturing business. Leading up to Christmas, we would establish a 'factory shop' where we would sell off the masses of samples and clearance stock we had accumulated during the year. Using conventional logic, we assumed that a lower price would make the offering attractive. Far from it! Despite eye-catching banners and effective advertising heralding the fact, we were lucky to sell sufficient product to break even.

When told of our plight, a friend, who was involved in the fashion industry, proposed that the target market we should be pursuing wants to pay more! Presented correctly he observed the attractiveness of a product will clearly increase. The French have long known this and as a result mastered the art of adding value...with their Champagne, perfume, fashion and food to name a few. Clearly, the right marketing and presentation will attract the customer who is prepared, happy and even wants to pay more.

The following year we invested in better lighting, display cabinets and fit out generally. We also lifted the quality and caliber of service, gift wrapped everything attractively and tripled our prices along with our profit margins. It was a resounding success.

So, how does this help me achieve the best price for my business? I hear you ask. I have seen the same principle applied to the successful sale of more than one business that had proven difficult to sell once it was prepared and presented correctly.



So then, where to start? My recommendation is to seek out the advice of a professional who understands and has experience in successfully applying these principles. They would help you assess what your business offers in terms of:

1. Current earnings,
2. Security of future earnings,
3. Uniqueness/points of difference and competitive advantage/s,
4. Prospects for improvement and growth,
5. Lifestyle
6. Whatever other metrics might apply in your sector.

Then advise how any of these can best be improved prior to presenting your business for sale. Equally, if not more importantly develop a strategy that entails:

1. Presenting what your business offers
2. To the audience that most values it,
3. In a way in which they will most appreciate it.

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It stands to reason that this can be most effectively achieved by a body of professionals who work collaboratively, using the most sophisticated systems and tools and are not only experienced but expert in successfully applying the sales and marketing process outlined. An experienced team of business brokers is such a body. A good brokerage will provide

**The expertise:** their brokers will include specialists in a wide variety of industries. Many who will have owned and managed businesses themselves and others that will have extensive financial, management, legal and accounting expertise. By combining these specialist resources, they can provide the most balanced appraisal of your business, together with a thorough analysis of the most likely purchasers.

**Good analytical tools and resources:** Including a comprehensive and sophisticated databases of business sales and have access to research designed to determine the motivations of potential buyers that identifies the key issues that are important to them.

**The networks and database:** A crucial aspect of effectively presenting a business to market is having access to a suitably extensive database of individuals and organisations looking to buy businesses. Over 60% of businesses listed for sale with Divest are sold to pre-qualified buyers registered on our purchaser database. Overall, most are sold within three months.

**Confidentiality and integrity:** Most businesses have commercially sensitive information, which must be guarded from competitors, staff, customers and suppliers. By acting as intermediaries, a good brokerage will ensure that every enquiry about your business is carefully vetted. Furthermore, no information that could identify your business is released to potential purchasers without your approval and until a Confidentiality Agreement has been signed.

**A high level of support, working with you every step of the way:** It is a fact that a significant number of all business sales fail during the due diligence process. A good broker will work with you right throughout the process, effectively managing issues as they arise and facilitating negotiations to smooth the way to a successful sale. In this they will ensure that you are fully conversant with all facets of the business sales process, and act as a facilitator between you and potential buyers (and often, their legal and accounting advisors).

This is why I can proudly, confidently and unashamedly state that the secret to successfully selling your business is to do so through a proficient business broker.

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