

# TOP TIPS FOR BUILDING BUSINESS VALUE

The following is a list of the 9 most important things (seldom achieved by business owners) critical to improving the ease with which a business is sold and to optimising its value.

**1) Start planning your business exit.** The number one reason businesses don't sell is owners don't realize the importance of planning for the sale. Before you can work on increasing the value of your business, you need to start the exit planning process so you understand all aspects and determine what's necessary to even have a salable business.

**2) Learn the realistic value of your business.** Your business value can be determined by calling a business broker and asking for a free appraisal of your business. When meeting with the brokers, make sure you also ask for help in identifying the specific obstacles you need to be concerned about.

**3) Develop a plan to begin overcoming the obstacles you face.** To begin identifying obstacles, it's important to understand that buyers want to minimize risk.

**4) Increase your gross margin.** Most of the time, inadequate returns in a small business is due to one of two reasons: (1) Low or Inconsistent Gross Margins; and/or (2) Inadequate Marketing and Sales Efforts. In many cases, it is a combination of both

**5) Increase your sales and marketing efforts.** Many businesses have significant opportunities for improvement in this area.

**6) Implement marketing automation.** The opportunities for significant revenue growth through marketing automation are very real and the cost is relatively inexpensive.

**7) Systematize and document your business operations.** Especially in smaller businesses, buyers are concerned the business can continue to operate profitably after the owner's departure. By systemizing and documenting your business operations and by developing second-level management, you can alleviate that obstacle.

**8) Develop second tier management to minimize your importance to the success of the business.** From a potential buyer's perspective, reliable, qualified management is a significant benefit that adds a lot of value to an acquisition.

**9) Write your buyer's business plan.** If you are interested in facilitating a smooth business sale transaction that is completed on a timely basis with minimal heartaches, writing the buyer's business plan before putting your business on the market is a great way to help assure success.



Ivan Tava  
Business Sales & Transition Specialist  
027 288 8855  
ivan@divest.co.nz

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