



State of play in the 'Business Sales' world

With the distant sounds of sleigh bells ringing in the background, you can all collectively breathe a sigh of relief... 2011 is shaping up to be a good year by all accounts.

With a bit of luck most of you should now have your overhead costs under control, and you're running your business in a way that has become normal for this period. Remember the tale of Tortoise and the Hare? Never has this been more relevant - what we are seeing now is slow and steady growth with consistent returns. You can all rub your hands together in nervous anticipation as most of us business owners can start to forecast correctly, and get back to running our businesses effectively and, most importantly, with stability.

The somewhat elusive 'baby boomers' are starting to come to the conclusion that now really is the best time to start making all those retirement dreams a reality... We've been harping on about this for years now, but buyers really do outnumber sellers significantly - demand is on the increase, which means, yes you guessed it, more dollars in your back pocket.

Even the banks are starting to significantly loosen their purse strings - trading banks are being incredibly proactive in seeking businesses to start money lending negotiations with... So with all this in mind, why not start to consider your exit plan? Now normally I'm not one to name drop, but here at Barker Business we offer you FREE advice and assistance to help you formulate that exit plan!

In my experience, most potential business buyers are not nearly as prepared as they should be when approaching banks... this provides us business owners with that vital life line... vendors need to be that one step ahead when getting the business ready for a sale.

A solid business plan with cash flow forecasting is absolutely key to making your business even more saleable. This needn't be 'pie in the sky' stuff but solid forecasting on the back of the previous years figures and the current turnover. Maybe you're already in a prime position - if your business is on track for solid and steady growth or at the very least showing some levels of consistency, a potential purchaser is probably 10 times more likely to get that loan to pay for your business. Bingo!

Your accountant already has the necessary information in front of them so surely it is not hard to do some integrated forecasting? Think profit and loss accounts, balance sheets and cash flow forecasting. This really will be a small amount of money well spent!

On a personal note, the team at Barker Business Brokerage would like to take this opportunity to wish you all a very Merry Christmas, and here's hoping for a prosperous New Year!

Neil Barker, experienced in business sales for over 10 years.
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