



M&A

Key Attributes of a Highly Sellable Business... **Ensure Your Successful Exit.**

Whether you are preparing to sell near term or simply reviewing your options, understanding the key factors that buyers look for is essential.

When looking to sell your business, there are several factors that potential buyers will want to make sure are in place – factors that can dramatically improve the what your business will sell for.

1. Performance

- Growing sales
- Recurring revenue
- Demonstrated resilience to economic cycles
- Defensible market position
- Diverse customer base with largest less than 10%

2. Financial

- Consistent EBITDA > 10% of sales
- EBITDA greater than \$2 million
- Easily verifiable EBITDA normalizations
- Annual budget
- Defensible financial projections
- Limited personal expenses
- Reasonable annual capital expenditures

3. Organizational

- Well organized and up-to-date company information
- Strong management team
- Experienced senior financial staff
- Shareholder alignment
- Easy to follow corporate and ownership structure

The Takeaway

Planning for the eventual exit of your business requires careful consideration and proactive steps. Initiating these efforts now is essential to maximize the value of your enterprise.

Establishing a competent management team, fostering a positive company culture, diversifying your customer base to minimize concentration risk, and enhancing operational sophistication are all pivotal strategies.

Implementing these measures can significantly elevate the potential multiple at which your business could be sold, potentially resulting in a more substantial payout for you.