

Sell Your Business Checklist

<i>Should I sell my business?</i>				
	Yes	No	Not Required	Comments
Am I ready to sell?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Have I considered other options, such as new management?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Is the timing right?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Will I really make money out of a sale?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Can I afford to lose the income?				
What will my family and friends say?				
What reasons will I give to a potential buyer?				

<i>Do I Need a Team and Who should They Be?</i>				
	Yes	No	Not Required	Comments
An experienced Accountant?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
An experienced lawyer with transaction experience?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
An experienced tax advisor?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
A business valuation advisor?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
A business broker?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Personal advisors?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Prepare an Assessment of the Business

	Yes	No	Not Required	Comments
Will the business give fair income?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Will the business continue to be competitive under new management?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Can I prepare a written valuation analysis of my business?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Can I value my intellectual property correctly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Valuation of goodwill				
Assessment of trading record (past, present and future) –				
How does the economy impact on the business and its income?				
What is the financial performance compared to others in the industry?				
How are businesses in my industry valued?				

Valuation of fixtures, fittings and equipment				
	Yes	No	Not Required	Comments
What equipment is under finance, and can I transfer the finance to a buyer?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
How will I value my stock?				
How will I value work in progress?				
What equipment will go with the business?				
How are businesses in my industry valued?				
What fixtures will remain with the business and how do I value the fixtures?				

Fair Work Act aspects				
	Yes	No	Not required	Comments
Will employees be transferred or terminated with the sale?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Have I calculated notice and redundancy entitlements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Do I understand the rights of employees on sale or transfer of a business?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Preparation of the Sales Presentation				
	Yes	No	Not Required	Comments
Do I have a plan for improving the value of the business?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Is that plan in writing and will a potential buyer understand it?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Does that future plan make sense compared with the business?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Do I have a marketing plan that a potential buyer can understand?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
So I have my tax returns up to date?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Do I have three years of financial statements that a prospect can view?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Do I need help to put the Sales Presentation together?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Do I have a Non-Disclosure Agreement for potential buyers?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Preparation of Staff				
	Yes	No	Not required	Comments
Am I ready to tell my staff the business is to be sold?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are my staff potential buyers for the business?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Do I have a plan for handing the transfer of staff?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Preparation of a Marketing Plan for the Sale

	Yes	No	Not Required	Comments
Am I going to use a Broker or intermediary, or advertise the business myself?				
When is the advertising going to start?				
How long will I give the advertising to produce enquiries?				
How much am I prepared to invest in marketing the business?				
How am I going to qualify potential buyers?				

The Process of Sale of The Business

	Yes	No	Not Required	Comments
Have I finalised terms and conditions of the contract (see items on Contract of sale)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Do I have a form of Letter of Intent subject to buyer's due diligence?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Is the potential buyer prepared to sign a Letter of Intent containing his/her price	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Has the buyer delivered a list of requirements before entering into a contract?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Can I (and am I prepared to) address all of those requirements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Have we agreed on price and requirements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Is the buyer prepared to sign a contract and pay a deposit?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Negotiations				

Helpful Resources

<http://www.rpemery.com.au>

http://www.theqbrgroup.com/bus_sellers/

The Contract of sale

	Yes	No	Not Required	Comments
The contract may be prepared by the vendor's solicitor (refer to RPE Sale of Business Agreement)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Vendor is to be advised of the clauses the purchaser requires to be in contract	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Proposed contract to be discussed with a solicitor who is instructed to check or draft wording suitable the purchaser's requirements (Or take advantage of the RPE Doc Review Service)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Immediately prior to settlement

	Yes	No	Not Required	Comments
All items on purchaser's disclosure requirements should be satisfied	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Third party consents have been obtained where required	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Final settlement is scheduled	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pre-settlement announcements and introductions have been effected	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Relevant clauses				
	Yes	No	Not Required	Comments
Payment of the price	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Cash preliminary deposit, full deposit, balance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Terms preliminary deposit, full deposit, installments, interest, balance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Do I have a marketing plan that a potential buyer can understand?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Options clause, full deposit and how balance is paid (cash or terms) (if there are terms, refer the RPE secured loan agreement)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Apportionment of price between goodwill, fixtures, fittings and chattels	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Implications of capital gains tax, depreciation, stamp duty etc.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Right of assignment of lease and conditions thereof (copy should already be prepared and annexed to the contract)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Stock: * Maximum value of stock transferred * Warranty that vendor owns stock * Warranty that there are no claims against stock * Method of valuation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Work in progress, assessment and valuation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Fixtures, fittings and equipment which vendor owns and warranty that nobody has interest therein	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Fittings and equipment leased by vendor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
List of books to be assigned	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Adjustment of outgoings and statutory charges under the lease	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Restraint of trade clause	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Vendor required to work in business for a period of time (refer to RPE Consultant Services Agreement)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Execution				
	Yes	No	Not Required	Comments
Vendor to supply signed contract	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Purchaser to return signed copy of contract to vendor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Purchaser to pay preliminary or full deposit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Vendor to supply receipt for deposit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Formal searches that may be made by purchaser after execution of contract				
	Yes	No	Not Required	Comments
Search on the business name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Title search of premises	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Shopping centre outgoings, e.g. cleaning A/C, land tax, etc.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Land tax office	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Water rates and planning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Local authority (municipal council or shire)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Main Roads – regarding vehicles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environment Protection Authority	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Trademarks, designs, copyrights and patents (IP Australia)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Australian Securities and Investment Commission – if vendor is company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Other government departments, regarding licenses, registrations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Other Notes