



CESCHINI, CPA, PC

646-1 Main Street, 1st Floor

Port Jefferson, NY 11777

Tel (631) 474-9400 Fax (631) 474-9424

www.ceschinicpas.com

e-mail: cpas@ceschinicpas.com

PRESS RELEASE *FOR IMMEDIATE RELEASE*

Contact: Michael B. Ceschini, CPA – (631) 474-9400 X 111 – mceschini@ceschinicpas.com

Selling Your Business? A Checklist of What You Need To Know

New York Metropolitan Area – June 21, 2004

You've spent the better part of your life building for others. At the same time, and as a direct result, you've also been building your business.

Although you've experienced good days and not so good days, all in all you've probably built your business into a fairly valuable asset.

"Most business people", according to Michael B. Ceschini, of Ceschini CPA PC, a certified public accounting and profitability consulting firm with a construction industry niche, "...will say that everything they own is for sale – if the price is right. You've probably thought more than once that you'd be willing to turn over the keys if the right offer came along."

Currently, interest rates are hovering at historic lows. Signs of economic recovery are beginning to appear on the horizon. Can an increase in business deal-making be far behind? If you want to be ready for the proverbial "offer you can't refuse," a good way to start is by taking a close look at what you have.

Ceschini offers this checklist of things to consider if you want to be sure your business is in a condition suitable for sale – and if you want to keep it that way.

Review your assets

- Be sure you have clear title to all key business assets. Ownership issues can slow down negotiations. Prospective buyers may get discouraged and move on.
- Review all critical contracts and licenses to be sure they are transferable to a new owner. Your favorable arrangement is only valuable to a prospective buyer who can step into your shoes.

MORE -

Assess your unrecorded liabilities

- Be sure you are qualified to do business in all of the jurisdictions in which you operate.
- Be sure your business has paid all required sales and use taxes and income taxes in the various jurisdictions in which the business operates. Surprises late in the negotiations can have an adverse effect on the sales price, assuming the prospective buyer is still willing to make the deal.

Evaluate your people

- Have a well-trained management team in place, one that can function properly if you decide to retire. A buyer may ask you to stay on as an employee for a period of time. Are you willing to stay? For how long?

Polish your financial records

- Since historical financial information is the starting point for a business valuation, make sure your financial records are in order. The financial statements of your business should be reviewed, or preferably audited, annually by your CPA. It's much more efficient and cost-effective to have the reviews or audits performed annually, rather than having your CPA go back over prior years' accounting records.
- It's a good idea to always have in mind a reasonable estimate of the true value of your business. Your CPA can assist you in making these calculations. That way, if a prospective buyer comes along and you know your business is worth 20 percent more than the buyer can afford to pay, you won't waste a lot of time with the negotiations. On the other hand, if the buyer is offering a 20 percent premium, you may want to get the deal moving along quickly.

Be realistic about your personal needs

- Is your business worth as much with you gone as it is with you working there?
- Are you ready to stop working and retire?
- Would you likely start a new business venture? Will you be able to start a new business if the buyer asks you to sign a non-compete agreement?

By planning ahead, advises Ceschini, you will be in a much better position to react if someone walks in your door and makes an offer that you can't refuse.

###

Ceschini CPA PC, 646-1 Main Street, 1st Floor, Pt. Jefferson, New York 11777

Additional articles authored by Michael B. Ceschini are available upon request.

Contact mceschini@ceschinicpas.com