

BUSINESS SALE PROCESS

THE DEFINITIVE GUIDE FOR SELLERS

Rocky Mountain Business Advisors' success in selling over 97% of the businesses we bring to market is based on Process. A process that has proven itself over many years.



01 INITIAL CONVERSATION

This is the stage where we get to know each other, understand your goals, and determine if your business is as ready as you may be. We educate, define roles and expectations, and ultimately help you to fully understand every step of our unique process. This is not a 'sales' call – everything is on your timeline, not ours.



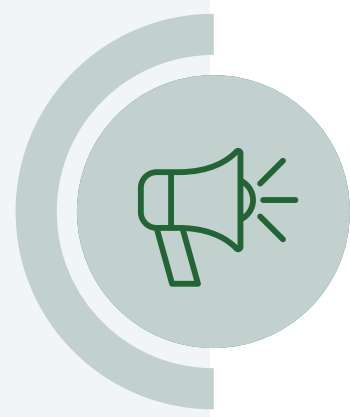
02 FINANCIAL ANALYSIS & SALE PRICE RANGE DETERMINATION

We conduct an extremely detailed analysis of the business's financial performance looking back at the last 3 years, and preferably the last 5 years of financials. During this phase we are also gaining an intimate understanding of the business, the market, trends, and those unique elements which drive value, and ultimately the selling price range you can expect. We seek your input at every step.



03 PRESENTATION, EDUCATION, AND CONFIRMATION

Prospective clients are educated on the process of value determination so that they intimately understand how and why their business sales price range has been determined. Businesses do not sell at a price outside of this range and you will understand exactly why. If the current selling price range does not meet your goals yet you have the time and inclination to increase the value, then why sell now? We will discuss the listing price, the many different transaction structures, and the likely time it will take to sell your business. We provide you with all of the details so that you can make an informed decision based on fact, not emotion.



04 MARKETING PACKAGE

In collaboration with our client, we construct an information-packed marketing document, our proprietary Confidential Business Review (CBR), which describes the business, market industry, strengths, pressure points, and growth opportunities – and the mathematical formula for a buyer to enter into a transaction which will be a win for both parties. This is a collaborative process in which our clients have final approval.



05 MARKETING STRATEGY

How we bring a business to market is one of the most important aspects of the sales process. We have one objective: engage the most qualified buyer who is the best fit for your business and who will successfully complete the transaction. We are extremely diligent and thorough so that you can focus on managing your business at this most important time rather than wasting time with unqualified or difficult buyers. We employ a 3-pronged approach which is fully detailed and produces the best outcomes.



06 BUYER ENGAGEMENT & SCREENING

Every prospective buyer must execute a Confidentiality Agreement before we provide them with any details about your business. We treat all interested parties with respect and honesty, but our fiduciary duty means that we represent you and only you. We are under no obligation to provide information to those who we deem unqualified. To ensure confidentiality we normally never disclose the company name or location to a buyer until after you have spoken with them on a buyer-seller call.



07 BUYER - SELLER MEETINGS

Once we have spoken with and qualified a prospective buyer we will coordinate an initial buyer – seller meeting. These meetings are designed to familiarize the parties, share select information, and to determine if they should proceed to the next step in the process. If both parties believe that a potential transaction exists we will have a second meeting, and even a third, which is most likely an in-person meeting after hours to view the business's operations.



08 OFFERS & NEGOTIATIONS

We work closely with financially qualified buyers to develop a strong offer which must be accompanied by a lender pre-qualification letter as well as proof of funds. Once an offer is received, we review it and return it if we determine that it is highly unlikely to be acceptable. Our clients' time is precious and there is no reason to waste time with insincere or less than serious buyers. Once a proper, well thought-out, and comprehensive offer is submitted we present it to our client and then begin to negotiate the absolute best offer for our client. Ideally, and this happens quite often, we are able to create a Controlled Auction Process in which we have multiple parties competing for your business. The auction produces the absolute best result with the highest price on the most favorable terms.



09 DUE DILIGENCE

We are masters of managing a smooth and organized Due Diligence process during which a buyer is confirming the accuracy of the information we have presented. Concurrently the buyer is securing their financing, often through an SBA lender, and the transaction documents are being drafted, negotiated, and finalized. As you might imagine, this is one of the most important juggling acts that a broker must provide. 50% of all deals entering Due Diligence fail during this most important stage. Over the past 7 years we have had less than 5% fail. The reason is simple: from day one we adhere to a process that works. We are organized, we anticipate, and we leave little to chance. It works, and our past clients are glad to tell you about their experience. We encourage prospective clients to speak with our past clients.



10 CLOSING & A DAY AT THE BANK

The big day arrives – one that a decade, a lifetime, or multiple generations of your work has led to. Closing day is always a welcome relief made even better by a visit to your bank to confirm that the proceeds of the sale are in your account.



11 POST-CLOSING OBLIGATIONS

All business sale transactions have a post-closing Training and Transition period which may range from several weeks to several months – and even an extended employment contract with the seller. During this period the seller provides the agreed upon training to the buyer.