

FAQ

Frequently Asked Questions

Question: What are some important items that you can do to prepare your business for sale? Answer: Well managed financial tracking of the business for at least the last three years, old receivables collected or written off as a loss, maximize profitability of the business and an increase or a hold on sales for the business over those same three years.

Question: What is due diligence and when does it happen in the sales process? Answer: The Due Diligence process will happen after an offer on the business is accepted by you. The process is basically an audit of all financials, a collection of all pertinent documents regarding the business such as tax returns and legal documents, the buyer will want to know also how the business operates on a daily basis.

Question: What items will need collected from your business initially to prepare it for sale? Answer: Financials for 3 years, interim financials for this year, personal expenses ran through the business, tax returns, a memorandum questionnaire completed by the owner and other information about your business including marketing material.

Question: What peripheral items can a business do to help market their business? Answer: A well put together website that is updated to your current business services and product offerings. Also make available updated marketing material, a business growth plan and key personnel biographies.

Question: How long is the business sales process? Answer: The sale process takes 3 to 18 months.

Question: What makes the disparities in sale times of your business? Answer: A business that is ready to be sold with properly prepared financials and a buyer package that is well put together regarding the business will sell faster. A business that is priced within the norms of that industry and for the cash flow it produces will also shorten the sale time. Terms of the sell should be well defined for the buyer so an offer can be based on those terms.

Question: How does the Active Business Search save a Buyer money in their search for a particular business? Answer: Ancilla, LLC will negotiate with the buyer a lower and set commission rate. We will also credit your monthly search fees off of the commission rate and provide the buyer with a detailed list of companies that are interested in selling their business. We also do not charge the seller any fees and we will disclose this fact upfront.

Question: How is your confidential information protected? Answer: We understand this is one of business owner's biggest concerns regarding a sale. We make every buyer sign a non disclosure agreement before any information is divulged. Only a "blind profile" is seen in the listing and we only put one broker on each listing. We are happy to provide these documents to you for review.

Question: What is the difference between a strategic buyer and a financial buyer? Answer: A strategic buyer is someone in your industry or a sister industry that is looking to add to their current client or technology base by acquiring a company that can fill their growth plans. A financial buyer will buy your current business for the current cash flow it produces and to take their particular existing skill set to grow the business after the sale.

Last Question: What if I want to know more about Ancilla, LLC? Answer: Contact Ancilla at 740-765-5442 or email Pete Bunner directly at pbunner@ancillallc.com. I am happy to answer any of your questions or meet with you for a lunch or a cup of coffee.