



Specialising in Business Sales & Purchases

VALUATION * SALES PREPARATION * MARKETING

When it comes time to implement your exit strategy our team is here to guide you to ensure that your business is ready for sale and that it is packaged as an attractive asset for an investor. The biggest challenge behind most business sales is that the vendor starts the process too late and the sale ends up rushed and chaotic. To attract serious buyers you need to have a well presented business with a quality prospectus and detailed financial information from which a purchaser can conduct a proper due diligence process.

At Bartley Partners our blend of accounting, legal and sales expertise ensure we can assist holistically with the entire sales process. We can help structure your business for sale, ensure you minimise tax on the sales process and create critical documentation you will need to attract high quality purchasers who will pay the best price. Bartley Partners assist you to market your business to potential investors via the most effective channels for your particular business whether its mass media, local advertising or direct contact and negotiation.

Financial Information

The first step is to review your business internal systems and ensure that they are efficient and documented so that a prospective buyer can see the value. We then prepare thorough and detailed financial information. We begin this process by delving deep into your bookkeeping system to ensure that allocations are logical and will make sense to potential purchasers. This process often involves minor adjustments/amendments to previous financial reports to ensure consistency and so comparability for the prospective purchaser. The items you need to present include:

- ✔ Detailed Financial Statements with notes to the accounts including Profit & Loss, Balance Sheet, Cashflow Statements, details of the valuations of any intangible assets such as your business name or trademark. These must clearly show staff entitlements including accrued Long Service Leave and standard leave entitlements.
- ✔ Fixed Asset Register with details of existing Personal Properties Securities Register (PPSR) claims to be transferred and external claims/debts against any of those assets.
- ✔ Employee skills matrix including your own if you are still working in the business and a list of employee's pay rates, hours, places of work, assets provided to these employees and other critical information. It is important to note any Key Man Insurance policies in place.

Legal Information

This should all be included in the prospectus along with the financial information. Each industry will require a different list of documents but the main ones are:

- ✔ Copies of the lease for any properties or equipment to be transferred in the sale.
- ✔ Registration papers relating to any government licenses required to operate.
- ✔ Copies of Trademark paperwork showing you own your logo/brand and documents showing ownership of other intellectual property that forms part of your business.
- ✔ Copies of any insurance policies in place for the business and background on any recent claims made.





- ✔ Confirmation of legal action that the business has taken or which has been taken against the business.
- ✔ A template customer contract showing the terms and conditions under which your business deals with the world.
- ✔ A template employment contract showing the terms under which your employees are currently engaged (depending on the size of your business you may have multiple templates to be provided for different roles)

Outside of legal and financial other key areas to consider include (these are not all relevant to every business sale but have been key factors in some of the successful business sale transactions we have assisted with):

- ✔ Provide a business plan to a prospective purchaser to help them understand the future the business has and it's competitive advantages. Include in this a copy of the business' current marketing plan to help a buyer understand how your sales process works. Especially important in the modern age is a full explanation of the businesses digital presence.
- ✔ Work through operation manuals to be provided so the business can easily transition, is there a quality management system in place to ensure the business continues in a streamlined manner post sale? If not perhaps this is a good time to create a QMS and get the ISO9001 tick of approval so there is a process that can be sold rather simply a historical success.
- ✔ The level of training and support you are prepared to provide, which key staff are expected to remain and the extent of support expected to be needed for the particular industry.

The main reason a business fails to sell is that it is not packaged as an attractive investment grade asset. This is akin to selling a second hand car when it is covered in mud and smells like an old boot. The first step before you put your business on the market is to make sure the business can be shown as a valuable asset and that a purchaser can see value in the acquisition.

The ideas in this leaflet are not a complete guide but are ideas to get you thinking about how you can start the process of structuring for sale. Remember, structuring should start well before the actual sale is planned to occur to ensure you get the best terms.



About the author:

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Christopher is a Chartered Tax Adviser and an admitted solicitor in the Supreme Court of South Australia. He has extensive experience working with Australian businesses on growth strategies, mergers and acquisitions, tax planning, quality management systems and human resource issues. He has worked with clients on both the purchase and sale side of transactions and has personally bought and sold numerous businesses.

