



THE PRIVATELY HELD BUSINESS

Is selling your business in your future?

Three issues to consider for the ultimate sale of your business.

If you're planning to sell your business, you're not alone. Pepperdine University's 2025 Private Capital Markets Report found that 49% of business owners surveyed plan to transfer their ownership interests in the next five years. Yet not all business owners give themselves adequate time to prepare.

It's easy for personal financial planning to fall through the cracks when you're trying to run a business and see the sale process through to completion. However, a large liquidity event can be life changing, especially with no plan in place. Before you head for the exit, the following considerations may help you plan for the transition.

1) Position your business for maximum value

Whether you're planning a sale or receive an unexpected offer, making your business as attractive as possible only serves to benefit you. To position your business for maximum value, consider taking the following steps:

- Clean up all financial statements
- Verify that all contractual arrangements are current, including HR-related documents
- Improve or maintain corporate governance policies and procedures

TAKEAWAY: Valuation can be dramatically affected by seemingly small details. Make sure all business procedures and documents are updated and accurate prior to selling.

2) Look for wealth planning opportunities

Early planning can have critical wealth transfer advantages. To efficiently position yourself and your family for sudden wealth, consider the following tactics:

- Transfer the business to family members and/or trusts when the market value is low
- Structure the business ownership, and ultimately the sale, with long-term wealth needs and goals in mind
- Keep future tax issues in mind

TAKEAWAY: Don't forget about your personal financial goals when structuring the sale of your business.

3) Build the right team of advisors

Selling and transitioning your business can be complex and sensitive. Working with a team of professionals can help minimize business disruptions and internal conflicts, while also prioritizing your best interests as the owner. Consider engaging a team of advisors, including:

- A wealth management advisor
- An attorney, a business accountant and an insurance professional
- A banker and a trust officer
- An expert appraiser, a family communications consultant, and, in some cases, a family psychologist

TAKEAWAY: Working with a team of experts often gets you the best results.

Selling a business comes with many challenges. However, giving yourself adequate time to prepare and engage a team of trusted advisors helps to ensure the process is smooth. Whether you plan to sell in one year or ten, it's never too early to start positioning yourself and your business for long-term success. **For more information, visit our *The Privately Held Business* resource page.**

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