



The Business Sale Process

Get to know the steps to follow in the sale of your business.

Selling a business is a process that involves various steps, as well as a lot of documents and formats, plus the involvement of various professionals in order to complete the operation. The following is a typical sequence of events for the sale of a business:

- 1** Between Seller and Broker a sales price for the business is established.
- 2** The Seller signs the sales contract with the Broker.
- 3** The Seller collects all the important information of the business with help from the Broker.
- 4** Seller and Broker get together in order to revise and organize the information of the business.
- 5** A written "sales package" for the business is put together. The end result is a description sheet or investment prospectus of the business.
- 6** The confidential promotion of the business is initiated in various types of media (buyer listings of the Broker, newspaper, Internet, magazines, etc.).
- 7** The Broker receives and qualifies prospective Buyers.
- 8** The Brokers delivers information of the business to qualified Buyers after the signature of a Confidentiality Agreement.
- 9** The Broker visits the business with the prospective Buyer.
- 10** The Buyer with the guidance of the Broker, structures a Purchase Offer in writing, in which the conditions and contingencies to the purchase of the business are established.
- 11** The Broker presents the written Purchase Offer to the Seller, accompanied by a deposit as a gesture of seriousness of the offer.
- 12** In case the Seller agrees to the offer, he accepts and signs the Purchase Offer contract.
- 13** The Buyer deposits with the Broker in an escrow account the down payment for the purchase of the business (normally 10% of the total sales price).
- 14** The Buyer then commences his investigation and verification of all the aspects of the business (financial, legal, fiscal, etc.). This stage is also known as the "Due Diligence" process.
- 15** The final draft of the Purchase Offer contract is then prepared with the assistance of an attorney and is then passed on to a Public Notary.
- 16** Between Buyer and Seller a final count of the inventory is held and the final sales price is adjusted.
- 17** Employees of the business are fired or hired.
- 18** The Seller pays all the debts pending that are not taken over by Buyer.
- 19** The final Purchase Offer contract is signed before a Notary Public and the Buyer pays off the remainder of the down payment or sales price of the business.
- 20** Finally, the Seller hands to the Buyer the keys to the business.

Independent of the process, every sales transaction involves closing costs for both the selling and buying parties. Some of the most important costs for a Seller are: sales tax, income tax, lawyer and accountant fees, broker's commission, etc.

The main function of a professional Business Broker is to guide you and give you all the tools you need so that the sale of your business oversees every detail, and in the end becomes a highly gratifying experience.

If you are a business **SELLER**, don't wait any longer to hold a completely free confidential meeting with us. We will be very glad to help you!