



Time To Optimize Your Sale

Newsletter
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Know Your Buyer



So, you've decided that you want to sell your business.

Preparation is the key!

Business owners intending to sell should start planning several years before the actual sale. In many instances, you need at least three to five years lead time. This will give you the time you need to have your business valued, and allow you to implement recommendations for optimization marketing materials need to be created, your business introduced to the market, then a qualified buyer found, due diligence conducted and a sale finally consummated.

Lack of planning, is in fact, one of the primary reasons for failed business sales/change of ownership.

There are many factors that affect the value of a business, by identifying these factors and working on optimizing them, you can increase the value of your business and get the selling price you are after.



By Damian Luke

Tips for Optimizing your business;

This may sound obvious but – Make your business as profitable as possible, because your profitability is tied directly to your business's sale price. You will need to optimize every sector of your business and assess the relevance of less profitable areas - If they are not strategic to the business itself or do not support your more profitable activities, consider disposing of them.

Make yourself redundant! When you have created an environment where your viable, profitable Company can operate seamlessly without day-to-day hands-on involvement from you – you have gone a long way towards creating a valuable Company with a better chance of a successful sale.

Determine if it is better for you to sell shares or assets - If all the conditions are right, the seller may receive the first \$884,384 CAD* of the capital gain on the shares tax-free. This tax relief is not allowed if the buyer purchases the company's assets.

Firm up your advisory team. Assemble an advisory team that includes; a business consultant (to help you through the optimizing process) a good tax accountant, financial planner, business transaction lawyer and business broker.

Prepare yourself mentally for your exit. Prepare yourself and your personal finances so you don't experience seller's remorse, you've worked hard to create something of value – but if you haven't prepared - the temptation is to stay in longer than you should and capture those last bits of revenue and cash flow.

If you are considering selling your company, now is the time! Get An indication of market value, so that you know where you stand, you should allow sufficient time to prepare for a transaction, correct any issues and build incremental value. Remember – the best time to sell - is when things are going well!

*always get professional advice from your lawyer and/or tax accountant

The Top 5 Roadmap Areas

When You Are Getting Your Business Ready to Sell

Guest Article

As a Business Advisor, I work with business owners to create strategic roadmaps to help them not only grow and scale their business - but also exit their business. For owners who are looking to transition out of their business, these are the five areas that we commonly focus on:

1. Clean Financials

One of the most important things when deciding to sell your business is having clean financials. If your books aren't clean as a whistle, you need to slow down and take the time to make sure your bookkeeping is highly organized, with all expenses accurately tracked and categorized. No reputable buyer will purchase a business unless they can understand your profit and losses (P&L).

2. Don't Just Focus on Top-Line Revenue

While we are talking about financials, don't just focus on increasing top-line revenue growth. While a full sales pipeline with growing revenues will be appealing, don't forget to focus on the other line items on the P&L - such as cost of goods sold (COGS), or overhead expenses - all of these play into the overall profit margins of the business. Businesses with higher gross profit margins have a greater runway to survive recessions and unexpected surprises, such as global pandemics.

3. Stop Running the Business from Your Head

Many business owners don't take the time to document how or why they do something and are guilty of running the business from their heads - thus negatively affecting the value of the business without them. By documenting systems and processes with detailed Standard Operating Procedures (SOPs) you will ensure that operations continue uninterrupted and are completed on a prescribed schedule - with or without you.

4. Keep Building Brand Strength

Brands that are loved by their customers receive top dollar, so don't lose focus on building relationships with clients or building a strong reputation in the market. It's guaranteed potential buyers will google you and read online reviews, skim through your social media profiles and see what past employees have said about you on GlassDoor. Focus on increasing your rating in all these areas will earn extra valuation points and appeal

5. Start Sooner Than You Think

Don't wait until you are in a position of having to sell your business. Depending on the current state of your business, it can take years to implement the above. Also, it can take years to sell a small business and attract the right buyer. Having a long-term strategic plan that encompasses the above will be key to any successful transition.

Guest article by:

Melissa Pauliak

Business Advisor | Cultivate Advisors



Business Listings



Dealer Commercial Equipment | BC

Asking Price: \$1,250,000
Contact for more details.



Architectural Practice | BC

Asking Price: \$1,350,000
Contact for more details.



Excavation Contractor | BC

Asking Price: \$1,900,000
Contact for more details.



Electrical Contractor | BC

Asking Price: \$1,700,000
Contact for more details.



Crane Rental | BC

Asking Price: \$7,900,000
Contact for more details.



Sports Medical Product Specialist | BC

Seeking expressions of interest from qualified parties. Contact for more details.



Fabrication Business | BC

Asking Price: \$7,900,000
Contact for more details.



Book of Insurance | BC

Asking Price: \$3,500,000
Contact for more details.



Meat & Deli | BC

Asking Price: \$650,000
Contact for more details.



Custom Cabinets & Furniture | BC

Asking Price: \$625,000
Contact for more details.

Notable Transactions

NAI Commercial
BUSINESS ADVISORY PRACTICE



Commercial HVAC
Lower Mainland, BC, U/C
Asking Price: \$6,500,000



Medical Consumables
Lower Mainland, BC, U/C
Asking Price: \$6,000,000



Medical CPAPs
Lower Mainland, BC, U/C
Asking Price: \$6,000,000



Metal Fabrication
Fraser Valley, BC, U/C
Asking Price: \$12,500,000



Industrial Construction
Lower Mainland, BC, SOLD
Asking Price: \$10,600,000



Industrial Cladding Mfg
Lower Mainland, BC, SOLD
Asking Price: \$8,500,000



Medical Services Supply
BC, SOLD
Asking Price: \$3,200,000



Retailer of Fireplaces
Fraser Valley, BC, SOLD
Asking Price: \$1,950,000



Welding & Fabrication
Central Interior, BC, SOLD
Asking Price: \$2,000,000



Online Children's Apparel
Lower Mainland, BC, SOLD
Asking Price: \$2,000,000



Auto Repair
Fraser Valley, BC, SOLD
Asking Price: \$3,300,000

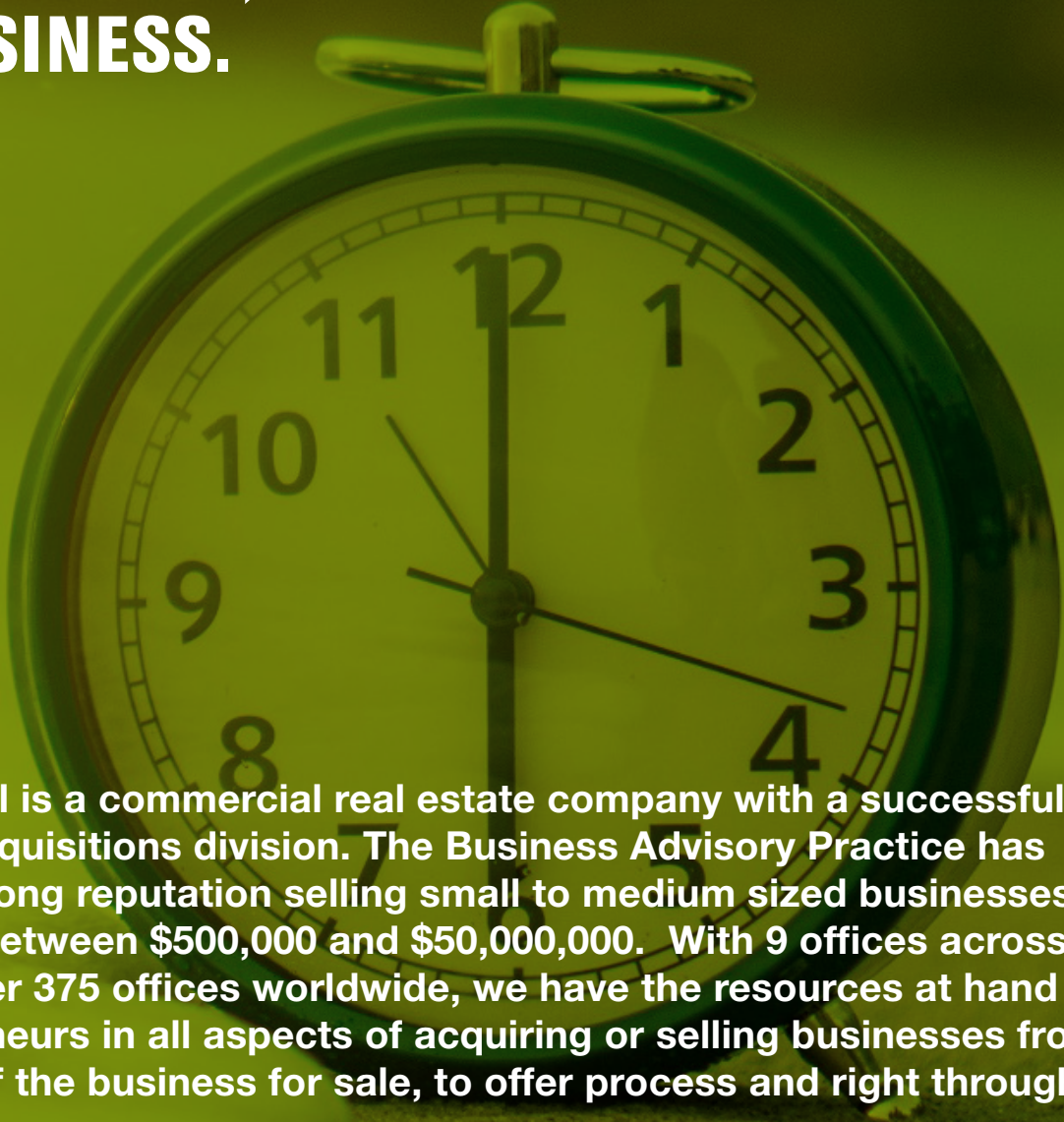


Construction Supply
Lower Mainland, BC, SOLD
Asking Price: \$10,000,000

Other Key Transactions

- ▶ **Glass Sales & Services**, Lower Mainland, BC, SOLD | Asking Price: \$3,500,000 (2017)
- ▶ **Architectural Millwork**, Lower Mainland, BC, SOLD | Asking Price: \$2,500,000 (2017)
- ▶ **Resort Village & Spa**, Interior BC, SOLD | Asking Price: \$16,900,000 (2017)
- ▶ **Auto Repair**, Fraser Valley, BC, SOLD | Asking Price: \$1,890,000 (2017)
- ▶ **Tool & Equipment Rental**, Lower Mainland, BC, SOLD | Asking Price: \$2,750,000 (2017)
- ▶ **Bio-Tech Distribution**, Lower Mainland, BC, SOLD | Asking Price: \$2,400,000 (2017)
- ▶ **Custom Powder Coating**, Lower Mainland, BC, SOLD | Asking Price: \$2,800,000 (2016)
- ▶ **Trucking Business**, Western Canada, SOLD | Gross Revenue: \$12,000,000 (2016)

**CONTACT US TO ARRANGE A CONFIDENTIAL,
COMPLIMENTARY, INDICATION OF VALUE FOR
YOUR BUSINESS.**



NAI Commercial is a commercial real estate company with a successful mergers and acquisitions division. The Business Advisory Practice has developed a strong reputation selling small to medium sized businesses with revenues between \$500,000 and \$50,000,000. With 9 offices across Canada and over 375 offices worldwide, we have the resources at hand to assist entrepreneurs in all aspects of acquiring or selling businesses from the preparing of the business for sale, to offer process and right through to completion.

Professionalism, confidentiality and focus on exceeding our clients' needs are the principles with which we work.

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