

5 Steps For Selling Your Family Business

1. Planning and preparation

Clearly identify the reason you want to sell your family business. What is your goal, or what do you hope to achieve by selling? What are the tax implications as an individual and business in your region? What is the timeline for selling your family business?



2. Evaluation and determining the value

Look at other trades businesses in your industry, around your size, that have sold recently for a ballpark idea of how much to sell for. Next, determine the business's net worth by measuring the difference between assets and liabilities. Finally, compare the net worth and invested amount to determine the return on investment (ROI).



3. Finding a buyer

Look for potential buyers in your existing network outside of your family, including current or former customers. You can also list your business with a business broker in your industry, or advertise on websites that list businesses for sale in your industry.



4. Handover

Anticipate that you may need to help the new owner manage operations while they familiarize themselves with the business. Make a checklist of the areas where they'll need training. Clearly define your role and the roles of any family members who will stay in the business under new ownership.

5. Communicating with customers

Be transparent about the sale. Communicate as early and as often as you can with customers about when and how the transition will take place. Reach out individually to any customers who remain concerned about the sale.



Source section:

<https://business.gov.au/exiting/selling-your-business/sell-your-business>
<https://www.familybusinessmagazine.com/capturing-wealth-sale-family-business>
<https://www.familybusinessmagazine.com/capturing-wealth-sale-family-business>
<https://familybusinessunited.com/2020/11/10/5-signs-that-its-time-to-sell-the-family-business/>