

# Acquire or Exit Your Business

This workshop will cover what you need to do to get ready to buy or sell your business.

Presented by, Vyju Narendra, CPA

**Accountit.CPA**  
Accounting, Tax & Advisory



# Presenter Introduction



Vyju Narendra, CPA

President of Accountit, CPA with over 20 years of experience in the Accounting & Tax profession.



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Located at 1725 Main Street, Suite #221, Weston FL 33326.



I Know Coffee!

Vyju hails from the Coffee Growing region of Southern India. She is a NSU Shark!

# Meet Vyju's Team



Claudia Nunez

Pursuing her accounting degree from Keiser University.



Abhi Puttanna

Technology partner from LogiqFish, specializing in SEO, websites, and custom software development.







# Audience Introductions

Let's take a moment to introduce ourselves. Please share your name, the industry you work in.

## Trivia#1

What percentage of U.S. small businesses are owned by women?



# Answer

**42%** of all U.S. businesses are owned by women. (WBENC, SBA).

This is a fast-growing trend, as women are making significant strides in the business world.





# 10 Essential Steps to acquire or exit a business

Maximize your chances of a successful sale or acquisition of a business by addressing these crucial considerations.



# #1# Evaluate the Right Timing for the Sale/Acquisition



## Timing is Key

Don't sell during a market slump. Consider the business's performance and life cycle.



## Market Trends

Analyze current market conditions and industry trends to identify the optimal time to sell.



## Business Peak

Sell when the business is at its peak performance and value.





## Trivia #2

What do you think is the most common reason business owners decide to sell?





## Common Reason to Sell

### Retirement

Owners may also sell their business to cash out, similar to the \$19 billion WhatsApp sale to Facebook in 2014.

## #2# Determine Fair Market Value

### Get Professional Appraisal

Treat selling your business like selling a house - get a professional appraisal to determine the fair market value.

### Avoid Overpricing

Don't overprice your business, as that can deter potential buyers.

### Understand Industry Multiples

Research the typical EBITDA multiples for your industry to price your business accurately.





## #3# Get Your Financials in Order

### 1 Scrutinize Financials

Potential buyers will thoroughly review your financials, just like a homebuyer inspecting a house.

### 2 Clean Financial Reports

Prepare detailed revenue, payroll, and financial statements.

### 3 Normalize Earnings

Separate one-time expenses and personal expenses to show true profitability.



## Trivia #3

What percentage of businesses find a buyer once they're listed for sale?





## Percentage of Businesses Finding Buyers

20%

Businesses

Only 20% of businesses find buyers

1

Deal Killer

Lack of preparation is the #1 deal killer



# #4# Understand the Tax Implications

## Short-term vs. Long-term

Understand the difference in tax rates for short-term and long-term capital gains.

## Estimated Taxes

Estimate the taxes you may owe on the sale to plan accordingly.

## Harvest Losses

Consider harvesting any investment losses to offset capital gains from the sale.



## Trivia #4

What percentage of businesses are seller financed?





# Percentage of Seller Financing

60% to 90%

Businesses

60% to 90% of businesses are seller financed

—

Seller Financed

When bank financing is not an option



# #5# Consider Seller Financing

## 1 Enticing Option

Seller financing can be an attractive option for buyers who can't get a mortgage.

## 2 Earn Interest Income

Offer seller financing to earn interest on the sale.

## 3 Drawbacks

Less cash flow, longer transition period, and potential risk.





## #6# Ensure Legal and Compliance Readiness



### Tax Filings

Ensure all tax documents are up-to-date and compliant.



### Contracts

Review and organize all client, vendor and emp contracts.



### State Filings

Confirm all necessary state registrations and filings are in order.



### Notices

Provide any required legal notices to relevant parties.

## Trivia #5

On average, how long do you think it takes to sell a business?







# Time to Sell a Business

It takes 6 to 12 months to sell a small to mid-sized business in the U.S. Patience is key—selling a business is more of a marathon than a sprint!

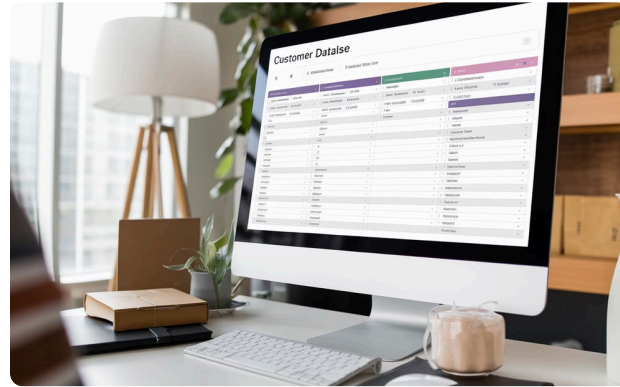
Source: BizBuySell Inside report 2023

# #7# Prepare for Due Diligence



## Financial Reports

Prepare comprehensive financial statements, including income statements, balance sheets, and cash flow reports.



## Customer Lists

Compile detailed customer lists with contact information, purchase history, and other relevant data.



## Aging Reports

Provide up-to-date accounts receivable and accounts payable aging reports for due diligence review.

# #8# Secure Key Employees



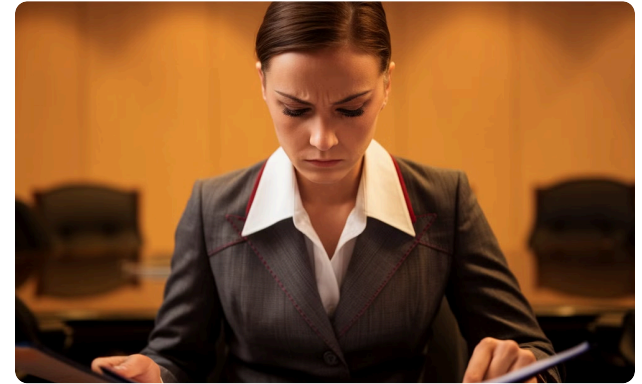
## Highlight Best Features

Securing key employees is like staging a house - it shows buyers the business's strengths.



## Retain Talent

Buyers want assurance that critical staff will stay on board after the sale.



## Legal Protections

Have non-disclosure and non-compete agreements signed to safeguard the business.



# #9# Transition Planning



How much time to spend after selling?

Consider 6-12 months based on where are at your career stage.



Remuneration for the time spent

How much you want to be compensated for your time?

## Trivia #6

What type of buyers do you think are jumping into business purchase?







# Type of Buyers in Market

50-60%

First Time Buyers

The majority of buyers in the market are first-time business owners, looking for a turnkey operation that is ready to go.



# Millennials and Gen Z Buyers

Millennials and Gen Z are increasingly buying businesses, especially those with a strong online presence and digital systems in place. These younger generations are attracted to businesses that leverage technology and have a well-established brand.



# #10# Focus on Technology and Brand Presence



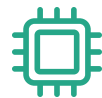
## Strong Web Presence

Ensure your business has a modern, user-friendly website that showcases your brand.



## Positive Reviews

Maintain a strong brand reputation through positive customer reviews.



## Leverage Technology

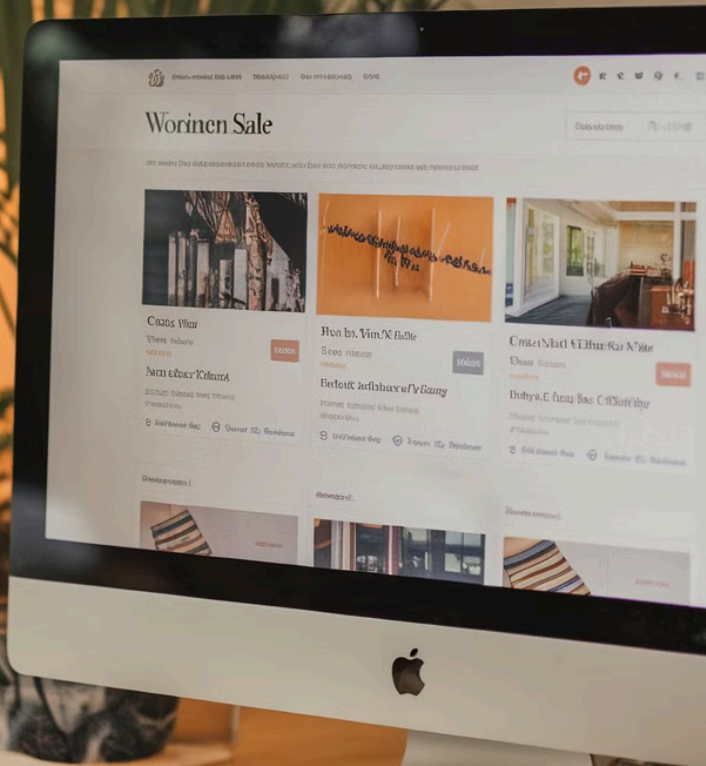
Implement modern systems and digital tools to streamline operations.



# Resources for Buying and Selling

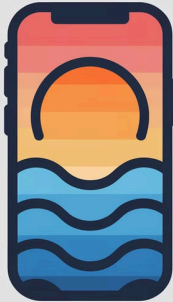
## Online Marketplaces

BizBuySell, Flippa, and Empire Flippers offer platforms to list and find businesses for sale.





# Q&A and Contact Information



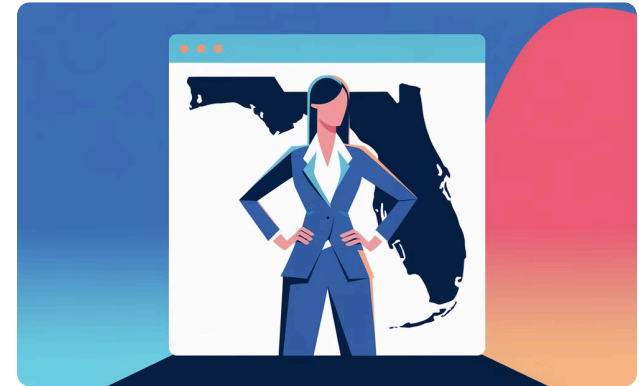
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