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Richard P. Slaughter Associates Inc.
Brooks Slaughter, MBA, CFP®, President and CEO

"What are your top eight important business sale do's and don'ts?"

By Brooks Slaughter

You've worked much of your life to build a successful business, so be sure to give it the care it deserves when it's time to sell it.

Over the years, I have seen many businesses sold. During those transactions, there have been some common mistakes made, as well as positive moves. Here are eight important business sale do's and don'ts.

Let's start with a couple of things to avoid.

01 Don't have unrealistic expectations of the company's value. When a seller builds a business, he or she generally has invested over the years not only money but sweat equity. This personal connection can skew your perspective, leading you to overvalue the company and ask too high a sale price. To prevent this from happening, consider hiring an independent business evaluation expert.

02 Do not finance the sale. Many sellers are asked to provide financing to the buyer, with the business as collateral. Having some "skin in the game" is commonplace for the seller; just don't finance the entire transaction. If the new owner runs the business into the ground, you, the seller, will get no money and will get back a broken business.

03 Determine your financial goal. Do you simply want to cash out at the highest possible price? Or do you want to pass along a business that will continue to thrive? Your answer is crucial both for establishing your ultimate asking/sale price as well as searching for a buyer.

04 Seek multiple bids. There are many methodologies to valuing a business. That means a range of offers is possible.

05 Maintain confidentiality. Customers, vendors and employees may become worried about a sale's possible changes. It is often tempting to try to assuage these concerns, but wait. With so many possible routes that the sale or merger of a business may take, it is best to communicate the sale facts after agreements are in place.

06 Have a good attorney draw up the sales agreement. This is not the time to cut corners with legal fees. You want to make sure all issues are considered and all liability is transferred to the new owner.

07 Have a good accountant review the sales agreement. This is also not the time to cut corners with accounting fees. With our country's complicated tax code, an accountant's attention could save huge sums of money by making appropriate changes to the language in a business' sale.

08 Finally, plan for life after the sale. On the financial side, you need an investment strategy for the assets, as well as one to replace the income you no longer will be receiving from the business. You also need a personal plan. You have dedicated years to your company. Now you must determine where you will spend your time and talents.

A good wealth management company can help guide you through all these business sale do's and don'ts.

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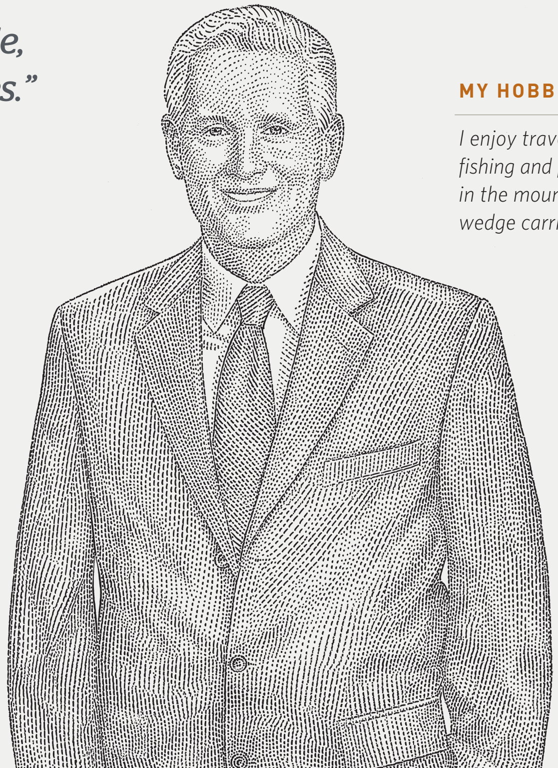
—Brooks Slaughter

How to reach Richard P. Slaughter Associates

You can reach any member of our team at 512.918.0000. *We look forward to speaking with you.*



MY HOBBIES ARE…

I enjoy travelling; snow skiing; fishing and playing golf, especially in the mountains where my wedge carries 200 yards.

WHAT MAKES A GOOD WEALTH ADVISOR…

An experienced expert that listens to clients, understands their needs and can create strategies designed to achieve a wide variety of financial goals.

WHAT MAKES A GOOD CLIENT…

Someone who is willing to share their problems, goals and aspirations and then partner with a trusted expert to help them realize those goals

About Richard P. Slaughter Associates

Richard P. Slaughter Associates is a leading wealth management firm, specializing in delivering tailored strategies as a fiduciary and advocate for high net worth individuals, families and businesses. Slaughter Associates constructs wealth management strategies around a financial plan, providing active, diversified and conservative asset management through internal experts. These experts establish a collaborative relationship with clients and all their financial service professionals, helping clients navigate the financial complexities that high net worth individuals and families face. Founded in 1991 in Austin, Texas by Richard P. Slaughter, Slaughter Associates is one of the original fee-based firms in the nation. Through its subsidiary, RPS Retirement Plan Advisors, Slaughter Associates works with corporate clients by providing 3(38) fiduciary services, which help mitigate risk for plan sponsors and secure retirement readiness for employees. With offices in both Austin and the Dallas-Fort Worth Metroplex, Slaughter Associates has been recognized by the National Association of Board Certified Advisory Practices as a Premier Advisor and has been awarded Exemplary status for expertise in personal risk management.

Assets Under Management
$400 million (as of 11/30/14)

Largest Client Net Worth
Confidential

Minimum Fee for Initial Meeting
None required

Minimum Asset Requirement
$500,000 (investment services)

Website
www.slaughterinvest.com

Compensation Method
Asset-based and hourly fees

Professional Services Provided
Planning, investment advisory and money management services; 3(38) fiduciary advisor

Primary Custodians for Investor Assets
Charles Schwab & Co., Pershing and TD Ameritrade

Association Memberships
Financial Planning Association, The National Association of Personal Financial Advisors

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