



**BENJAMIN F. EDWARDS®**  
INVESTMENTS *for* GENERATIONS®

INVESTMENT BANKING

## Business Owners:

### *When is the Right Time to Sell Your Company?*

Often business owners consider selling the business when there is a problem, such as the loss of a key customer or employee, a shift in the market, or increased competitive pressures. At other times, a company is placed for sale because the owner is simply approached by a prospective buyer. In most situations, the transaction value will likely be closely aligned to the company's revenues and profitability as well as its growth potential.

Because it is very difficult for the business owner to contemplate selling when opportunities are strong and the business is growing, it is essential that business owners are aware of the "window of opportunity" to help realize a premium transaction price. There are external factors, including the economic climate and the strength of the U.S. mergers and acquisitions (M&A) market, that can impact the transaction value and the probability of success. For example, the acquisition market was negatively impacted during the recession from 2008 through 2010. However, currently U.S. middle-market M&A activity is currently very strong, with U.S. corporations flush with cash, continuing low interest rates, and an increasing number of private equity buyers who need to invest their capital.

#### *So what is a business owner to do?*

##### **HAVE A STRATEGY**

Every business owner needs an exit strategy which includes a plan that addresses when and if to sell the company.

The process of planning for an exit will help the business owner determine the right time to sell.

##### **PUT YOUR BEST FOOT FORWARD**

You will need to position and time a sale to help you generate maximum value. An investment banking firm should be retained to position your company in the market and direct the sale process.

Internal factors within the business are the key drivers of value. When contemplating selling, consider the importance of timing. Keep in mind that when the business is thriving and growing, as opposed to when there are new challenges, is often the optimal time to sell to realize the best price and outcome.

2020-2593 Exp. 12/31/2022 Member SIPC

*Benjamin F. Edwards' Investment Banking team specializes in selling middle-market companies.*

#### **Investment Banking Team**

Shelby Schagrín - [shelby.schagrín@benjaminfedwards.com](mailto:shelby.schagrín@benjaminfedwards.com) | 314-480-1032

Philip Metzger, CFA® - [philip.metzger@benjaminfedwards.com](mailto:philip.metzger@benjaminfedwards.com) | 314-480-1014

#### **Connect With Us**



[benjaminfedwards.com](http://benjaminfedwards.com)