

You'll reap maximum return on the sale of your business when planning, preparation and timing come together. Assuming you've left enough time for all the financial, tax and strategic preparations involved in enhancing the value, salability and net proceeds of your business, there are three overarching factors that determine the right time to sell: Personal timing, Business timing, and Market timing.

Personal Timing

This is all about you. Do you still have the drive and energy to take your business to the next level? How's your health and vitality for the job? Does a new business challenge still get you fired up or would you rather be spending more time away from the business and enjoying the fruits of your labour? If you're simply not as committed to your business the way you used to be, and for whatever reason, it's probably time to think about letting it go—before it starts to decline.

Business Timing

Is about where your business is in its life cycle. Most businesses experience cycles of growth, plateaus and decline—where is your business in this cycle? Are you still seeing revenue and profit growth or have revenues levelled or even dropped? Similarly, where's your business relative to the market potential?

Is it full of fresh new opportunities or is the industry saturated, hyper-competitive and declining? It's best to sell a business while you're still going strong, and growth and profits are still steeply curved upwards. Don't wait too long because buyers simply won't pay as much for a business that has flat or declining profits.

Market Timing

This is a tricky one. You'll want to look at the economy, financial markets, and the pool of potential buyers to determine if the markets are in an upswing or downswing. It's sometimes tough to gauge, but it's best to sell in a market upswing.

To summarise, the ideal time to sell your business is while it's still growing, before your enthusiasm fades and early in an economic cycle. Is that easy to do? No. But being fully aware of the factors you can control and being ready—when the time is right—can make a huge difference in your net proceeds.

Every entrepreneur also needs to be aware of the anticipated mass exodus of Baby Boom business owners. As these Baby Boomers, who own 65% of small businesses, begin to exit in record numbers, experts predict a buyer's market with only the best-prepared businesses holding their value.

Smart owners are preparing now, so that they can take full advantage of optimal timing while ensuring their businesses are well positioned for a successful sale.