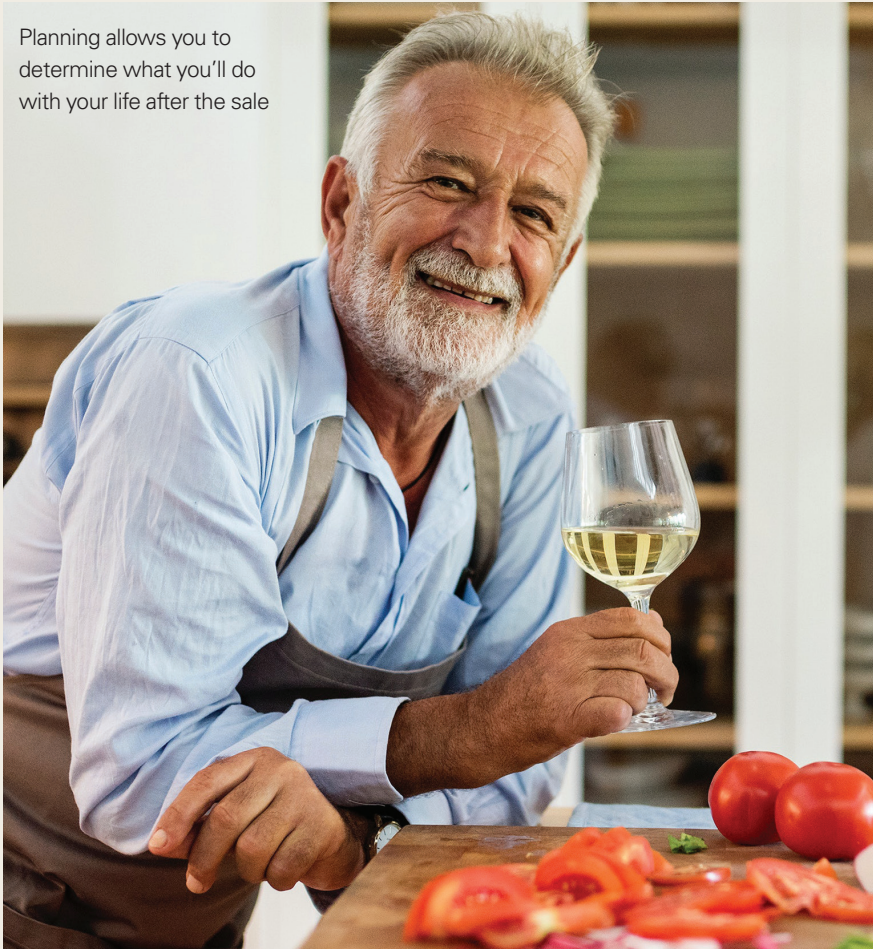


The Life Cycle of Your Business Dictates the Ideal Time to Sell

Waiting until your business peaks may backfire on your plans

Planning allows you to determine what you'll do with your life after the sale



when one's fortunes are still climbing; the temptation to keep going can be overwhelming.

"It's natural to want to keep making money and keep building, but at some point you have to realize you've had a good run and it's time to sell to someone else before unforeseen factors such as age, economic downturns, or health issues cause your business to flatten out and then decline," says Bacinello.

He cites as an example one individual whose company was achieving \$40 million in sales annually, "but even though he was in his late 70s he was reluctant to let go because he thought the valuation of his company wasn't enough. That was in 2007. Then 2008 rolled around, and annual sales soon dropped to \$10 million. He eventually sold in 2012 when he was in his 80s, and obviously he didn't get as much money as he could have."

Bacinello notes: "The point is, apart from being aware not to let greed overcome you, you must accept that you never know what's around the corner. In his case, he simply didn't have the time left to rebuild his fortune."

While the services of Pacific M&A and Business Brokers Ltd. are vital in orchestrating the many particulars of a successful sale, Bacinello urges entrepreneurs achieve a state of 'change readiness' early on, and to identify and groom successors while keeping their operations at optimum efficiency and profitability. "The best time to sell is when you don't have to, and when you can show sustainable earnings," he says. "Building up to a sale over the long term also allows you to develop a strategy for what you'll do with your life after the sale is completed."

Bacinello concludes: "The fact is that putting one's business up for sale while it's still growing and before any downturn is the wisest entrepreneurial move one can make—smarter even than the idea that launched the business in the first place." ■

Every business has a cycle, and as far as Pino Bacinello, president of Pacific M&A and Business Brokers Ltd., is concerned, keeping this in mind is key when it comes to selling one's company.

He explains: "Selling one's business is the hardest decision that can ever be made—I know this from personal experience. Understanding the life cycle of a business, including its, growth, peak, flattening out, and decline periods that comprise such a cycle is important because you want to sell when

you're still on the way up and not at the peak."

Although some people may be surprised that Bacinello doesn't recommend selling at the peak of one's success, he points out that "the problem with getting to the peak is you run the risk of falling off the other side. Plus, it's virtually impossible to determine when that peak will be reached. However, it's easy to determine when a company is still on the rise, and selling at this point helps ensure that you get the most value and makes that business very attractive to buyers."

But it takes intestinal fortitude to sell