

Top tips for selling your business to Management



Position yourself

Through time you should position yourself as being surplus to requirements such that when you take a step back or retire completely, the business can operate without you. By doing this you are effectively assembling the MBO team without them knowing it!



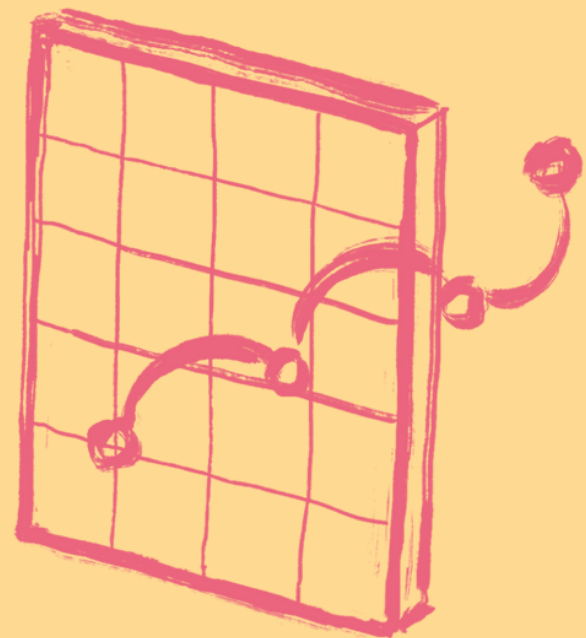
Be clear on your objectives

You should have a clear idea of what you want out of the transaction in terms of £'s value, timing and any retained interest. Before you raise this subject with management, you should seek appropriate advice to make sure your objectives are realistic and achievable.



Gauge appetite

The management team of your business could be a ready-made purchaser. If you think they are up for it and you consider an MBO to be an option, you should gradually introduce the concept to gauge their interest.



Keep them focused

Beware, once you introduce the idea of an MBO to the team this may distract them from their day job. It is important that you keep them motivated and focused on running the business throughout.



Control the process

Up to a point, you should keep control of the process. In a self-funded transaction i.e. where no external funding is required it is possible to control the process to conclusion. Where external finance is being raised by the management team, they will need to drive this aspect of the deal but you make the ultimate decision.



Don't fall out

It is critical that you maintain good working relationships with your management team. Communication throughout is vital and setting and meeting expectations is critical. You should all be aiming at the same target!

