



5 Reasons Why Now Might Be The Right Time To Sell

Are you trying to time the sale of your business so that you exit when both your business and the economy are peaking?

While your objective to build your company's value is admirable, here are five reasons why you may want to sell sooner than you might think:

1. You May Actually Be Choking Your Business

You have nothing to lose when you start your business, so you risk it all on your idea. However as you grow, you naturally become more conservative, because your business actually becomes worth something. For most of us, our company is our largest asset, so the thought of losing it on a new growth idea becomes less attractive. We become more conservative and therefore may hinder our company's growth.

2. Money Is Cheap

We are just coming out of a period of super-low interest rates. A Financial buyer will likely borrow money to buy your business so—at the risk of over simplifying a lot of complicated math—the less it costs a buyer to borrow, the more they will be willing to spend to buy your business.

3. Timing Your Sale Is A Fool's Errand

The costs of most financial assets are correlated, which means that the value of your private business, real estate, and a Fortune 500 company's stock all will move in roughly the same direction. They all bombed in 2009 and now they are all booming. The problem is, you'll need to do something with the money you make from the sale of your company, which means you will likely buy into a new asset class at the same valuation as you are exiting at.

4. Cybercrime

If you have moved your customer data into the cloud, you know it is only a matter of time before you become the target of cybercrime. Randy Ambrosie, the former CEO of 3Macs, a Montreal-based investment company that managed \$6 billion for wealthy Canadian families decided to sell in part because he feared a cyber attack. Ambrosie and his partners realized they had not been investing enough in technology for years, at a time when cybercrime was becoming much

more prevalent in the financial services space. They decided to sell the firm to Raymond James because they realized the cost for staying ahead of hackers was becoming too much to manage.

5. There Is No Corporate Ladder

In most occupations, the ambitious must climb the corporate ladder. The aspiring CEO must systematically move up, stacking one job on the next until they are ready for that top post. They have to put in the time, play the right politics and succeed at each new assignment to be considered for the next rung of that ladder.

However, by choosing a career as an entrepreneur, you got to skip the ladder entirely. You can start a business, sell it, take a break and start another business and nobody will miss you on the ladder. Your second (or third) business is likely to be more successful than your first, so the sooner you sell your existing business, the sooner you get to take that break and then start working on your next.

It can be tempting to want to time the sale of your business so that the economy and your company are peeking, but in reality, it may actually be better to sell sooner rather than later.

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