

The PRIVATELY HELD Company

The Report on Transaction Issues



IN THIS ISSUE

- Will You Sell Within Three Years?
- Two Similar Companies - Big Difference in Value!
- Family Businesses
- The Devil May Be in the Details
- Highest Price is Not Always the Highest Priority

CARPENTERHAWKE

provides comprehensive merger, acquisition and divestiture services.

Utilizing its proprietary databases of active strategic, financial and individual buyers, the firm identifies the most likely and best suited parties to the transaction. "We Seek Out Opportunities and Skillfully Craft Effective Transactions"

T: 617-742-7440

F: 617-742-7358

www.carpenterhawke.com

Will You Sell Within Three Years?

Business experts have stated that with many "baby boomer" business owners approaching retirement age, a large number of these owners will sell their companies in the next few years. Surveys of business owners confirm that a very high percentage anticipate selling their businesses within the next three years.

As these baby boomers age, the number of family-owned businesses for sale will increase. Age is certainly an important motivating factor for owners considering the sale of their company. Since only a very small percentage of these businesses will remain in the family, most owners will be left with only one alternative: selling the business.

However, many of these owners are holding off selling now because they feel that their company is growing and, therefore, so is its value. This could be a mistake. Understandably, all business owners want to get the highest price possible for their hard work and effort, but trying to time the market and sell when the business is at its peak is almost impossible.

It's difficult to convince an owner of a growing business that the best time to sell is often now, and that the business will most likely bring a higher price while it is growing than after the growth has slowed down. Buyers want to buy companies on the way up, not companies who have reached their peak, have grown stagnant, or are on their way down. Value is in the eyes of the buyer, not the seller! In addition, sellers waiting to sell for tax reasons need to remember that tax implications are always going to be there – waiting won't change them.

[return to top](#)

Two Similar Companies - Big Difference in Value!