

The following basic tips can help a business owner in preparing their business for sale:

1. **Prepare Quality Financial Statements** – Complete, accurate, and consistent financial statements make a strong statement about your business. Prospective buyers can spend more time understanding your business, and less time understanding your financial statements.
2. **Reconcile Financial Statements and Tax Returns** – When all of your business financial records reconcile, there is never a need to find the ‘right set of books’.
3. **Disclose Owner Compensation and Perquisites** – Don’t conceal how much you are compensated. Show a potential buyer how you are compensated; it will help them determine how they will be compensated!
4. **Accelerated Depreciation Lowers Taxes and Value** – Accelerated depreciation methods may save tax dollars, but when the first thing a buyer sees is low book value, it may raise a few questions. Keeping financial statements on a GAAP basis versus a tax basis may be more expensive, but it provides a much more accurate presentation of machinery and equipment values.
5. **Personal Assets and Liabilities** – Unless you intend to sell your Mercedes as a business asset, it should be removed from the Company financial statements. Personal assets and liabilities do not added value to the operations of a business, and may raise questions with a potential buyer.