Russell Cooke

Preparing your business for a sale

Six key steps

The most successful business sales rarely begin when a buyer appears. They are usually the result of years of preparation. Buyers look beyond historic profits, assessing the quality of earnings, strength of customer relationships, ownership of key assets, management capability and potential risks. Businesses that prepare early are often better able to maximise value, reduce delays and maintain momentum throughout a transaction process.

1. Start preparing earlier than you think

Many issues uncovered during a sale can take months, or even years, to resolve. Early preparation gives businesses time to strengthen governance, address risks and present a more compelling proposition to buyers. It also creates greater flexibility around timing and exit strategy.

Watch out for: leaving gaps in corporate records, key contracts or compliance arrangements unresolved until due diligence begins.

2. Get your corporate records in order

Buyers will expect accurate and accessible company records, including Companies House filings, statutory registers, shareholder information, key corporate approvals and clear evidence of ownership. Gaps in documentation can create uncertainty, delay transactions and increase costs.

Watch out for: missing records, undocumented share transfers or outdated shareholder agreements.

3. Review your key assets and contracts

Buyers will focus on the assets and relationships that drive value. This typically includes customer and supplier contracts, intellectual property and other proprietary business assets. Businesses should ensure important contracts are documented, enforceable and easy to locate, and that intellectual property ownership is clearly established.

Watch out for: missing intellectual property assignments, unclear licensing arrangements or contracts that may be difficult to transfer following a sale.

4. Demonstrate sustainable revenue

Buyers are not simply purchasing past performance; they are investing in future income. Businesses with recurring revenue, strong customer retention and a diversified customer base are often seen as lower-risk opportunities.

Where revenue is heavily dependent on a small number of customers, businesses should consider how those relationships can be strengthened and whether there are opportunities to diversify.

Watch out for: over-reliance on key customers or revenue streams.

5. Reduce dependency on key individuals

One of the most common concerns for buyers is whether the business can continue to succeed without an owner, director or other key individual. Businesses should ensure knowledge is shared, responsibilities are delegated and succession plans are in place.

Retaining key employees can also provide buyers with confidence in the future stability of the business.

Watch out for: customer relationships, operational knowledge or technical expertise sitting with a single individual.

6. Review the business as a buyer would

Before going to market, consider reviewing the business as a buyer would. This means gathering key documents, identifying gaps, assessing compliance risks and ensuring important information can be accessed quickly. Businesses that are well organised are generally able to progress transactions more efficiently and with fewer distractions.

Watch out for: assuming issues will not be discovered during the buyer's due diligence process.

How Russell-Cooke can help

Preparing for a sale is not simply about finding a buyer. It means ensuring the business is positioned to demonstrate value, minimise risk and withstand detailed scrutiny.

We work with business owners, management teams and shareholders to identify potential issues early, prepare for due diligence and support transactions through to completion.

Seller checklist

Before starting a sale process, ask yourself:

- ➜ are our corporate records complete and up to date?
- ➜ is ownership of the business clear and properly documented?
- ➜ are our key customer and supplier contracts organised and accessible?
- ➜ have we confirmed ownership of all important intellectual property?
- ➜ are we overly reliant on a small number of customers?
- ➜ do we have recurring or predictable revenue streams?
- ➜ can the business operate without day-to-day reliance on any one individual?
- ➜ have we identified and retained key employees?
- ➜ have we reviewed compliance and regulatory risks?
- ➜ are we prepared to respond quickly to due diligence enquiries?

This guide is provided for general information only and does not constitute legal advice.

Need support?

Contact us or visit our website to find out how we can help you:
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