

Doron F. Eghbali Closely Held Business Law

[How to Sell Your Business In an Uncertain Economy](#)

Thursday, June 17, 2010 by [Doron F. Eghbali](#)

You have worked very hard to start and develop your business from scratch. You view your business as a rare jewel with lots of potential. You are waiting for a large company to approach you with a lucrative offer. Are you ready for that moment?

In fact, a large company with the wherewithal to acquire your company will have to undergo some self introspection to ascertain whether you are a suitable acquisition.

The following provides some insight into what large companies ask of you and themselves to prudently determine whether they should acquire you or not.

1. HOW MUCH DOES IT COST TO BUILD WHAT YOU HAVE?

The first question is whether they could build what you have at lower costs themselves instead of paying more for what you have. The answer to this depends on other questions laid out here:

- How long does it take to get where you are?
- How long does it take to integrate you within their company?
- How long does it take for your business to turn profitable and return their investment?
- How much your management can be trusted to stay on instead of training a whole new team?
- Who are your customers and how can they grow the list by acquiring you?

A large company answers all these questions with a caveat. The caveat is the following question:

2. HOW MUCH FAITH DO YOU HAVE IN YOUR COMPANY?

One of the salient questions a large company contemplating acquiring you asks is:

“Why are you selling your company?”

Some of the reasons you should never give are as follows:

- "The economy is uncertain and I am scared."
- "I want to move on."
- "I am burned out."
- "I am tired."
- "We have reached a plateau for growth."

Instead, you should respond:

"I have developed a unique company. I have worked hard and now would like to get some money out of it while staying involved in its future and growth. This is my baby and I love it."

DORON EGHBALI is a Partner at the Beverly Hills Law Offices of Law Advocate Group, LLP. He Primarily practices Business, Real Estate and Entertainment Law. Doron Can be Reached at: 310-651-3065. For More Information, Please, Visit: [HERE](#).