

For what it's worth . . .

A business is worth what someone will pay for it. That amount has nothing to do with how much money you need to retire. Lack of understanding this fundamental fact is one of the biggest and saddest mistakes we see as Business Brokers.

It's big because if you over price your business odds are you won't sell it and, if you do, it will likely take longer to sell and bring a lower price because it was on the market so long prospects will think something is wrong. It's sad because there is no excuse for being poorly informed about a range of probable value for your business, especially if you are planning to access that value as part of your retirement.

Taking steps to know what your business is worth gives you the added benefit of learning what factors influence its value and working to improve those factors and increase its value. It is one thing to plan to keep working on and in your business until it's value meets your retirement plans. It is entirely another to have an unrealistic expectation of what it's worth.