

## How long will it take to sell your business?

I break down the process of selling a business into two phases:

**Phase 1 (years)** is creating a sellable business. This is the stage during which you create something that can be sold by developing predictable revenue and profit and ensuring the business isn't reliant on you, the owner. Phase 1 takes years or decades to complete.

**Phase 2 (6-8 months)** is proactively selling a business. Assuming you neither want to pass your business to your kids nor sell to your management team, you may choose to engage a third-party agent, as do most entrepreneurs, to help you find a buyer. I asked Perry Miele, chairman of Beringer Capital and one of Toronto's mid-market deal makers, how long it takes him to sell a business. He said, "From the day you engage an advisor to having a cheque in your hands usually takes about six to eight months."

Miele goes on to explain why it takes so long: "When we sell a business, we spend the first few weeks building an information kit for potential buyers to review. It then takes weeks to solicit interest as they review the information package. Interested bidders will want to have management presentations, which can take weeks to set up, given the need to choreograph the schedules. Once an offer is accepted, there is usually a two- to three-month due diligence period."

Deal making is done by the seniormost people at both companies. Senior people are busy running their business, which makes selling (or buying) a business a protracted process.

John Warrillow is the author of *Built To Sell: Turn Your Business Into One You Can Sell*. As a Scotiabank customer, you receive a \$5 discount when you order from [BuiltToSell.com](http://BuiltToSell.com).