



## Succession Planning and Maximising Business Value

Later this month I am speaking at an industry conference on **succession planning**.

All business owners are going to exit their business at some stage... hopefully, voluntarily and when they can maximise the price they receive. We believe **succession planning** is every bit as important as **business planning**, and that the prudent buyer should always have his/her company in saleable shape in case some unexpected occurrence forces an urgent sale.

Fundamental to the plan is knowing **what the business is worth now**, who the potential buyers could be, and where the opportunities are to increase the value of enterprise. A sound independent valuation of fair market value will identify the strengths and the weaknesses of the firm and any areas of potential improvement.

The “**10 Commandments**” highlights factors that a buyer may consider in appraising a business for purchase and these are factors that the owner can focus on to present the business as attractively as possible. For a **free copy** of the 10 Commandments please email us on [info@businessappraisals.co.nz](mailto:info@businessappraisals.co.nz).

When you are ready to exit your business, you should obtain an up-to-date valuation. But always remember that all valuations are opinions, all contain some assumptions and subjective judgements. **Price** can vary significantly from value depending on the motivations and negotiating skills of the parties. And deal structure can also have a major impact on price. Finance provisions, restraints of trade, and other transition arrangements must be considered.

Owners need to be objectively conscious of transferable value and see the business through the eyes of potential buyers and take care in making rational decision which will affect exit strategy. Valuation is not just about the “numbers”. The **story** behind the numbers is just as important.

---

**For clear, accurate and affordable business valuation**

**We supply independent business valuations for partnership splits, property relationship matters, business planning, expert witness, and litigation support.**

PO Box 26-203 Epsom Auckland 1344. Phone (09) 630 9491 Fax: (09) 631 5091 Email: [info@businessappraisals.co.nz](mailto:info@businessappraisals.co.nz)