



Prioritizing Your Motivations

Step 01: State your sale motivations.

The following chart lists the desired outcomes of most business owners entering the sale process. Using a 1-10 rating, indicate how important each objective is to you.

Low	← priority →	High	Your sale objectives
1 2 3 4 5 6 7 8 9 10			Immediate sale
1 2 3 4 5 6 7 8 9 10			Immediate departure (vs. 3-12 month post-sale involvement in business transition)
1 2 3 4 5 6 7 8 9 10			High sale price
1 2 3 4 5 6 7 8 9 10			All-cash payoff at closing (no seller-financing)
1 2 3 4 5 6 7 8 9 10			Post-sale involvement with your business
1 2 3 4 5 6 7 8 9 10			Post-sale priorities, such as little or no disruption to clients or staff
1 2 3 4 5 6 7 8 9 10			Pre-sale preparation followed by future sale

Step 02: Resolve conflicts between your motivations.

Once you have a good sense of what you want to achieve from a sale, you'll need to prioritize your motivations. For instance, if you want a quick sale and a high selling price but your business isn't in top shape for a sale, you'll have to concede on either timing or price. The following chart describes how various sale objectives conflict with one another.

Motivation	Conflicting Motivations	Why?
Immediate sale	High price	Unless business is in strong condition, an immediate sale likely requires a discounted price.
	All-cash payoff	Cash payoffs usually require buyers to seek third-party loans, which are rare and slow the sale process.
Immediate departure (vs. 3-12 month post-sale involvement in business transition)	High price	Unless business is in strong condition and easy to transition, rapid departure raises buyer doubts and leads to lower selling prices.
	All-cash payoff	Sellers seeking rapid departure and all-cash payoff create buyer doubt by telegraphing high desire to sell and/or low confidence in the future of the business.
High price	All-cash payoff	Sales involving seller financing typically close at considerably higher prices than those requiring payoff at closing.
	Immediate departure	Sellers' desire for immediate departure signals high sale desire, prompting price negotiation.
	Post-sale involvement	Post-sale requirements narrow buyer pool and decrease ability to receive highest price.

Motivation	Conflicting Motivations	Why?
All-cash payoff at closing (No seller financing)	Immediate sale	Cash payoffs usually require buyers to seek third-party loans, which are difficult to obtain and slow the sale process.
	High price	Sales involving seller financing typically close at considerably higher prices than those requiring payoff at closing.
	Immediate departure	Sellers seeking rapid departure and full payoff at closing telegraph high desire to sell and/or low confidence in the future of the business, lowering business attractiveness to buyers.
Post-sale involvement with your business	High price	Seller's request for ongoing involvement narrows buyer pool and triggers price negotiation.
Post-sale priorities, such as little or no disruption to clients or staff	High price	Desire to keep business in current location and configuration reduces the option of merger or consolidation, narrows the buyer pool, and affects pricing.
Pre-sale preparation followed by future sale	No conflicts	With a mid to longterm timeframe, seller can improve business condition and plan an offering that addresses objectives without conflicting priorities.

Step 03: Finalize your motivation priorities.

Reviewing the motivations, you indicated in Step 1 and the potential conflicts indicated in Step 2, prioritize your expectations. This will prepare you to select the best route for your business exit and sale offering.

Your Top Sale Priority (check only one)

An immediate departure

The highest price possible

All-cash payoff at closing

Post-sale involvement with your business

Post sale priorities such as little or no disruption to clients or staff

Pre-sale preparation followed by future sale