



# Mastering the Exit

A Practical Guide to Selling Your Business at the Right  
Time, for the Right Price





# Your Business Is Worth More Than You Think

Selling a business is one of the most significant financial events of your life. Done well, it can reward years of hard work and set you up for whatever comes next. Done poorly, it can leave serious money on the table.

Think about selling a house. If you wanted the best possible result, you would not just stick a sign out front and hope for the best. You would wash it down, give it a fresh coat of paint, and stage it to look its absolute best before the first buyer walked through the door. A little preparation changes the perception, and perception drives the price.

Your business is no different.

The difference between a good exit and a great one usually has nothing to do with luck, and everything to do with preparation. This guide is for business owners who want to understand what a successful exit actually looks like, what traps to avoid, and how to make sure you walk away with the best possible result. Whether you are planning to sell in 12 months or you are just starting to think about it, this guide will give you a clear picture of what to do and when.

# The Most Important Mindset Shift

Most business owners think about selling their business once. The most successful ones think about it constantly.

There is a simple principle that separates businesses that sell well from those that struggle to find a buyer: **a great business is always sale-ready.**

Think back to the house analogy. A well-maintained home never needs much work before going to market because the upkeep has happened all along. The paint is fresh, the garden is tidy, the roof has been looked after. Buyers walk in and immediately feel confidence. The same is true for a business that has been run with care and discipline. When the time comes to sell, there is no scramble to clean things up because there is nothing to hide.

That does not mean you need to be constantly marketing your business for sale. It means you run your business in a way that, at any moment, the financials are clean, the operations are documented, the risks are managed, and the numbers tell a compelling story.

Here is why this matters. Buyers and their advisors look at your business through a very specific lens. They are looking at trends. They want to see where your revenue has been heading, what your margins look like year on year, and whether the trajectory is upward. When you run your business with that lens in mind, you build something buyers want to own.

When you run it any other way, you often do not realise how much value you have left behind until it is too late to recover it.



# The Trap Most Sellers Fall Into

Ask any experienced business broker what the most common mistake sellers make, and you will hear a version of the same answer: they wait too long.

Not just too long to start preparing. Too long to go to market.

Business owners often hold on through the peak years because things are going well. Revenue is strong, the business is running smoothly, and selling is not urgent. Then a tough year arrives, or a few tough months, and suddenly the business does not look the same to a buyer.

Here is the thing: **accountants, buyers, and bankers love trends.** They will look at your last three years of financials and draw a line through them. If that line is heading upward, they get excited. If it dipped in the most recent year, no matter how many strong years came before it, the conversation changes.

One bad year after your peak can unwind years of value. It becomes the main talking point in negotiations. Buyers will factor it into their offer, their finance applications, and their risk assessment. What felt like “just a rough patch” to you becomes a red flag to them.

The business owners who get the best results are usually the ones who recognised the peak, made the decision to exit while the trend was still strong, and gave themselves enough runway to go through the process properly.

Selling at the right time is not about timing the market perfectly. It is about not letting the right moment pass you by.

# When Should You Start Preparing?

The short answer: earlier than you think.

**12 months out** is the ideal window to begin the preparation process. That gives you time to work on the things that genuinely move the needle on value, whether that is cleaning up your financial records, addressing operational dependencies, building out your management team, or resolving any legal or contractual loose ends. A year also gives you time to demonstrate a continued strong trend in your numbers before going to market.

**3 to 6 months** of preparation can still produce excellent results. You may not be able to tackle every opportunity to lift value, but a focused 90-day effort on the right priorities can meaningfully improve how your business presents to buyers and what it ultimately sells for.

What does not produce great results is deciding to sell and going to market immediately with no preparation. It is not impossible to sell that way, but you are negotiating from a weaker position, and buyers will price that in.

The key question to ask yourself is: if I were a buyer looking at my business today, what would concern me? Whatever your honest answer is, that is where preparation should start.

# What Preparation Actually Looks Like

Preparation for sale is not glamorous, but it is the work that creates value. Here is what it covers:

## **Financials**

Your last two to three years of financial statements need to tell a clear, credible story. That means clean accounts, consistent record-keeping, and ideally accounts prepared by a qualified accountant rather than just management accounts. If your personal expenses run through the business, your advisor needs to know so they can properly normalise the earnings and present them in the most favourable (and accurate) light to buyers.

## **Owner Dependency**

One of the most common reasons businesses sell for less than they should is that the business is too reliant on the owner. If you are the key relationship for every major client, the main person making all the operational decisions, or the only one who really knows how the business works, buyers will factor that risk into their offer. The more you can demonstrate that the business runs well without you in the day-to-day, the more confident a buyer will be in paying a premium.

## **Documentation and Systems**

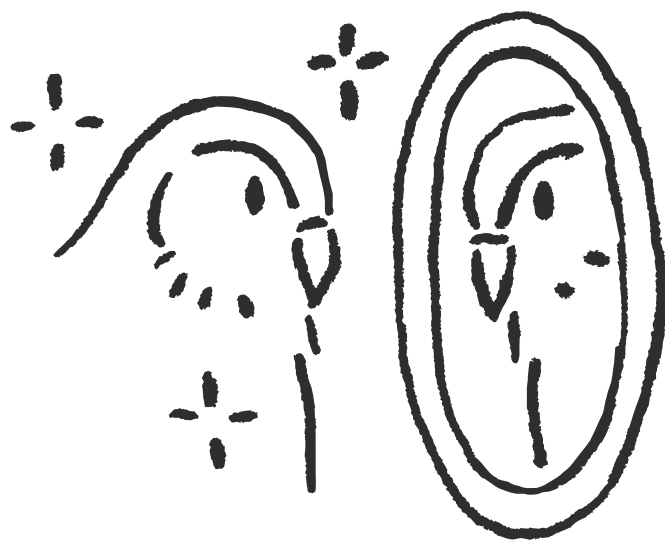
Can someone else pick up the operations of your business and run it effectively? That question matters to buyers and to the banks financing the purchase. Documented processes, staff structures, supplier agreements, and key contracts all add to the credibility of what you are selling.

## **The Seller's Story**

Every buyer will want to understand why you are selling. There is nothing wrong with being honest about your reasons, whether it is time for a new chapter, retirement, a desire to do something different, or simply that it is the right time to capitalise on what you have built. What buyers get cautious about is sellers who appear to be escaping a problem. If there are challenges in the business, the best approach is to address them or present them honestly, rather than letting a buyer discover them later and feel misled.

## **Your Advisory Team**

The right advisors make a significant difference to your outcome. Your business broker will guide the sale process, but you also want an accountant who understands business sales (not just tax returns) and a lawyer experienced in commercial transactions. A mortgage broker who specialises in business sales lending can also be an important part of the picture, particularly for buyers who need to finance the purchase. These are not the same as your personal banker or the broker who helped you buy your home. Business lending is a different game, and the right specialists help transactions get across the line.



# What Buyers Are Actually Looking For

Understanding the buyer's perspective is one of the most useful tools a seller can have.

Buyers are ultimately buying future earnings. They are paying a price today in exchange for the income the business will generate in the future. Everything they look at during the sale process is designed to help them answer one question: is this business likely to keep performing?

That is why trends matter so much. A business with growing revenue, stable or improving margins, and a demonstrated ability to operate without being completely dependent on the owner is the type of business buyers want to own and are willing to pay well for.

It is also why preparation matters. A business that has been prepared for sale is easier to buy. The information is organised, the risks are understood, and there are fewer surprises. Buyers value certainty. When you make it easier for a buyer to have confidence in what they are purchasing, they are more likely to move forward and more likely to do so at a strong price.

# The Value of Getting This Right

There is a straightforward principle at the heart of every successful business exit: **your business is worth more with the right preparation.**

Not slightly more. Often significantly more.

Business value is not just a function of what you earned last year multiplied by some number. It is a function of how confident a buyer is in those earnings continuing. Preparation is how you build that confidence. Timing is how you protect the value you have already created.

Getting the exit right is not something that happens by accident. It happens because you made the decision to approach it properly and you had the right people around you to help you execute.



# Ready to Start the Conversation?

If you are thinking about selling your business, now is the right time to talk. Not because there is any urgency, but because the earlier we have the conversation, the more options you have and the better your result is likely to be.

The team at Kakapo Business Sales works with business owners at every stage of the exit process. Whether you are 12 months away, a few years out, or just exploring what your business might be worth today, we are here to give you an honest, expert perspective.

## **Get in touch with the team at Kakapo Business Sales**

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