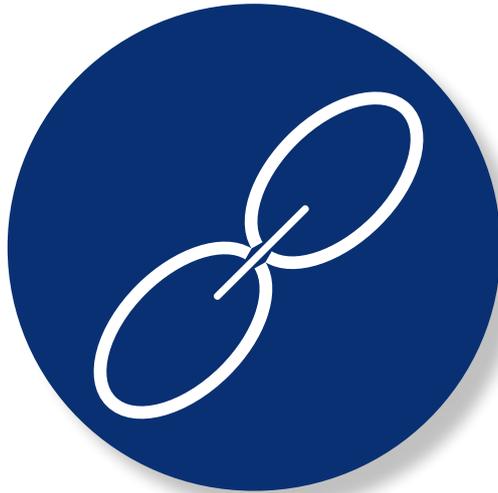


The Top 3 Seller Mistakes



Unrealistic Expectations

One of the most frequent mistakes business owners make when trying to sell their business is having unrealistic expectations of what the business is worth to potential strategic and financial buyers. While valuations for Long Island's lower middle market businesses have nearly doubled in 2014 over last year, going into a sale or merger process without a properly prepared external valuation is a recipe for problems later in the transaction.

Emotional Ties

Another mistake business owners make is waiting too long to sell their business because of strong emotional attachments. The stronger the emotional attachment, the more likely sellers are to hang on too long when the business would truly be better served by someone with more energy, new ideas, or additional resources. Delaying an exit also exposes sellers to the risk of lower valuations due to unavoidable market shifts or periodic economic slowdowns.

Declining Sales

Along with emotional ties, delaying an exit until revenue is in decline is a mistake that can cost sellers their deal. Buyers don't want to "reach for a falling knife." To maximize buyer interest and drive business valuation, it's important that sellers be able to show year over year growth in revenue and earnings. By far, the best time to sell is when the business is showing positive growth trends.

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