

Business Valuations: Benefits of Getting One

Accurate figures can help business owners determine the asking price and how much room there is for business negotiation. Potential buyers should not be chased away by unfair asking prices and negotiations that can't be justified. Equipped with the right facts and figures, fair business negotiations can run a lot more smoothly.

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Typically, business valuations are done when a business is looking to sell, but business owners can benefit from getting a clear idea of what the company is worth and see how it has grown over the years. Doing your own business valuation is not recommended if you're seeking accurate results. Determining the value of a company isn't always simple, and a professional business valuation may be required.

A business valuation is a formal process based on a range of factors including the nature of the business, financial performance, asset value, liabilities, economic conditions, and anything else that is unique to the business that might have an effect.

Benefits of a Professional Business Valuation

There are other arbitrary reasons for valuating your business i.e. you might want to have your business valued if you are going through a divorce and the business is classed as a marital asset, or if you are gifting shares of your business to your children. There are many benefits of getting a professional involved.

Always Be Prepared

Even if you are not considering selling your business now or in the near future, regular professional valuation figures can prove the stability of your business and make your team appear more prepared when you are ready. Potential buyers will be focused on those figures, especially if there is a long history from over the years.

Know Your Company Assets

Knowing your tangible assets like equipment, property, and stock is important, but most business owners have an idea of the value of those. What about your intangible assets? Examples of these include trademarks, and patents, and can be more difficult to value. A professional business valuation will be able to determine the total value of ALL of your assets and give you accurate figures to work with.

Improve Business Negotiations

Accurate figures can help business owners determine the asking price and how much room there is for <u>business</u> <u>negotiation</u>. Potential buyers should not be chased away by unfair asking prices and negotiations that can't be justified. Equipped with the right facts and figures, fair business negotiations can run a lot more smoothly.

Opportunity to Access More Investors

In an <u>uncertain economy</u>, business can change direction before we realise it. You may need to approach investors to boost your company's future growth or save it from a financial disaster, and a professional business valuation record can assist with justifying your typical ROI and what would be in it for them.

<u>Business for Sale</u> offers the perfect platform to get a professional business valuation online, as well as list your business online when you are looking to sell. Contact our team for more information on all of our service offerings!

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