

## Distressed Business for Sale: Tips to Sell

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### **What is a Distressed Business?**

A distressed business is one that is having difficulty paying off their financial responsibilities. This can be caused by cash flow issues, sales declining, unforeseen business expenses, or other factors.

### **How to Sell a Business in Distress**

It's a tricky balancing act when it comes to the selling of a distressed business; on the one hand, you need to focus on presenting potential buyers with information that shows them the value of the business, whilst on the other hand, you need be candid about the reasons behind the distress. There are a few ways to entice buyers without withholding information.

### **Manage Cash Reserves**

Businesses in distress need to properly manage their cash reserves, and avoid unnecessary and careless spending. Good management of cash reserves will look better to an interested buyer than a business that is falling under rapidly due to poor financial management.

### **Showcase Your Business Model**

Potential buyers will want to see a clear demonstration of how your business generates profit (or how it should). This shows off the possibilities of the business and whether there is room for positive improvements (in order to increase in revenue). It also provides clarity on emerging issues or risks that could potentially further damage the business.

### **Remember Intangible Assets**

Oftentimes your intangible assets may not reflect on your balance sheet. Intellectual property such as trademarks and patents can be of significant value to potential buyers, so it's important to keep these in mind while you are presenting your business to them to make it more appealing.

### **Distressed Business for Sale in South Africa**

In conclusion, selling your distressed business may work out better for all parties involved. Buyers who have the capital to pull it out of financial turmoil may generate a massive success, while the sellers of the business will have money to start something else if they wish to.

Whether you're looking to sell your business or to [buy a distressed business](#), we have the platform you need! [Contact us](#) for more information.