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**HOW TO SELL
YOUR COMPANY
ONLINE**

**{ PLUS: OUR
2ND ANNUAL
WEBSMART }**



WEB-SAVVY: Urmann and Amiri have sold 12 companies on BizBuySell.com

WHAT WORKS

A Bustling Bazaar

HOW TO SELL YOUR BUSINESS ONLINE **BY SMITHA BALLAL**

THIRTEEN YEARS running an adventure travel business was enough for Robert Fliegel. "I loved the field but was ready for a change," he says. In January he posted a listing for his Tucson company, Discovery Treks, on BusinessesforSale.com. By July he had closed a deal to sell the business to an Arizona couple for \$265,000. And by selling the business himself online, he avoided having to pay a broker the usual 10% to 20% commission.

Fliegel is one of a growing number of entrepreneurs using online exchanges such as BusinessesforSale.com, BizBuySell.com, and BizQuest.com to sell their companies. While the sites are still used mainly by brokers, the percentage of listings at BusinessesforSale.com posted by owners, for example, has doubled to about 10% over the last five years, says CEO Marcus Markou.

The sites don't actually handle transactions, and you'll still probably need an accountant and a lawyer to complete a sale. Where the sites really shine is in enabling sellers to reach a broader and more diverse universe of buyers. Says Cal Braunstein, CEO of

Westport (Conn.) research firm Robert Frances Group: "In the past all you could do was place an ad in the local classifieds." The sites charge from \$54 to \$129.99 a month, depending on how prominent your ad is and how many photos you include.

TIRE KICKERS

Sellers who list online will face three main challenges: screening out buyers who aren't really interested or appropriate, maintaining confidentiality, and keeping their business running while trying to sell it at the same time. "People who try to sell on their own end up wasting a lot of time with unqualified prospects who have no intention of buying," says Karl Grasmann, a Bartlett (Ill.) business broker. Grasmann cautions that most online business exchanges have no procedures for screening buyers. Most sites don't charge a fee for buyers to search the database, further encouraging tire kickers. You can minimize your dealings with bad prospects by preparing a list of about a dozen questions, such as "How much do you have for a down-

payment?" and "How do you plan to finance this purchase?" Limiting contact info in your listing to an e-mail address, one that can't be traced to your business, will also help you prescreen prospective buyers by letting you engage only with those who may be a good fit.

As a seller, you want to keep the process under wraps from customers, business partners, and competitors. That's another reason to avoid any distinctive details in your listing that would allow someone to identify the company with just a little research, and to set up separate e-mail addresses and phone numbers for inquiries about the business. If you do give a potential buyer details about the company, make sure you get a nondisclosure agreement signed right away.

Avid Amiri and Daniel Urmann, managing directors at Salt Lake City private-equity firm Analitica Corporate Strategy, have sold 12 portfolio companies using BizBuySell. "People spend years building up a business but spend only 10 minutes getting ready to sell it," says Urmann. "In fact, that's when you need the most steam." Fliegel found this out the hard way. He posted his listing in January, his slow period, without understanding how demanding it would be. By April, he was juggling buyers' inquiries while his business was hitting its busy season. Amiri and Urmann suggest doing as much prep work as possible before making a posting. That includes drawing up a presentation to address a buyer's likely questions about your business' strengths, weaknesses, and opportunities for growth. That'll make it easier to keep your business humming while you're fielding inquiries—something attractive to any buyer. **SI**

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