

Ten Common Mistakes Made By Entrepreneurs When Selling Their Companies

SEEdling Program Solutions for Emerging Entrepreneurs

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For an entrepreneur, selling his or her company is often a dream come true. However, all too often, entrepreneurs make critical mistakes when selling their companies. These mistakes have HUGE consequences. They may result in a reduction of the purchase price, create additional legal liability, damage the seller's credibility, create distrust between the parties, and cause transactions to fall apart.

The most common mistakes are:

- 1 Sellers fail to adequately prepare the business for sale.
- 2 Sellers treat Buyers as friends.
- 3 Sellers convince themselves that the transaction is completed when it has only just begun.
- 4 Sellers fail to develop a negotiation strategy prior to beginning negotiations.
- 5 Sellers work on joint projects prior to closing as if the transaction was completed.
- 6 Sellers move into the Buyers' facilities prior to completing the transaction.
- 7 Sellers cut corners.
- 8 Sellers believe that Buyers' attorneys are acting independently and not upon Buyers' instructions.
- 9 Sellers respond to due diligence requests by sending documents and information piecemeal.
- 10 Sellers fail to prepare themselves for the time and emotional commitment necessary to successfully sell their companies.