

RED FLAGS AND DEAL BREAKERS: 10 SIGNALS THAT YOU SHOULD NOT GO THROUGH WITH THE SELL

Stay clear-headed and be ready to pull the plug on the deal if you receive any of these negative signals:

1. The buyer's deposit check bounces.
2. The bank rejects the buyer's loan request to buy the business. (Make sure you know this early on.)
3. You don't think your employees will get along with the new management (listen to your intuition).
4. You aren't getting the dollar amount you honestly feel you deserve. Come to terms with this before you sign any papers.
5. The buyers send signals that they aren't going to maintain the quality and reputation that you've worked so hard to build.
6. You hear rumors that the buyer is going to shut down the business after they buy it.
7. The buyer keeps changing the details of the buy-sell agreement.
8. There have been too many downward revisions (e.g., lowered value of inventory, lowered accounts receivable, reduced value of branding) and you have compromised too much. Having a 'walk-away number' in mind before you begin negotiations will help you know if you've reached this trigger point.)
9. It is taking too long to agree upon a settlement date.
10. You discover the buyer has lied to you.