IMCI+ GROUP INTERNATIONAL
making the difference

WHY ARE COMPANIES SOLD?

Today there are very few entrepreneurs who analyze in depth the viability of their company in the market, the risks of the business to the future, and therefore do not consider under what scenarios should consider the total or partial sale of their company, or other solutions that involve the strengthening of the business, such as giving room to other financial or industrial partners, merging with other companies to gain market share, scale and profitability, etc ...

The reasons mentioned below are sufficient reasons to ask if they are in this casuistry, or any similar and if it is the time or are giving the circumstances to sell the company or other alternatives:

1) Possibility of ***becoming part of a business group*** that brings advantages of some kind, such as financial resources, operating advantages that boost their growth, synergies, etc.

2) ***Detach of divisions or companies*** considering that they do not exceed the minimum profitability threshold established by the Board of Directors of the company.

3) For ***fiscal reasons***, for example companies in losses that do not expect to obtain benefits and someone wants to obtain value of such fiscal advantage.
4) ***Defensive motives***: to prevent a hostile threat and avoid a takeover by an unwanted competitor.

5) Strong ***needs for additional investments of resources*** that cannot be achieved or are not willing to assume.

6) Amendment to ***erroneous*** acquisition or investment ***decisions***.

7) Obligation to dispose of assets ***to obtain liquidity*** and be able to face other more urgent or important financial obligations.

8) Change of the main objective of the business due to ***strategic needs***, business focus: appearance of new competitors, technological obsolescence, departure of the main executives of the company.

9) ***Existence of negative synergies***: the company is worth more for a third party than for its current owners.

In the case of family businesses, there are other reasons to consider:

1) ***Inheritance problems***: the proximity to the retirement of the owner or, even, the death, together with the lack of heirs who want or can continue in the business, or with the aim of avoiding potential clashes between them.

2) *The fatigue of the owner* and the fatigue of the risks that surround the business.

3) Given ***the need to invest more funds*** in the company, the family entrepreneur can decide not to increase the indebtedness of the company or not wanting to risk more his personal assets in it.

4) *Health problems of the owner*, or of his family, who advise the sale.

5) Desire on the part of the family entrepreneur ***to focus their efforts on another business*** more in line with their values and dreams.

6) *Conflicts in the shareholders*.

7) *Obtaining liquidity* to be able to attend to the economic demands of the family.

Whatever the reason, we must remember that the sale of a company is a complex process that requires a strong implication, that consumes a lot of time and in which a disciplined and experienced leadership of a consultant adds value, who will help clarify where situation is your company within its competitive environment, how much is worth it and the establishment of the best sales strategy for the market, even restructuring to improve the sales price.

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