

Title:

How to Inform Employees When You Sell a Business

Word Count:

345

Summary:

What is the best way to inform employees when you sell your business? Wait until the transaction is a done deal.

Keywords:

merger, acquisition, business, professional, confidentiality, transaction, selling a business, new owner, ownership, litigation

Article Body:

What is the best way to inform employees when you sell your business? Wait until the transaction is a done deal.

After many years of representing people who want to sell their businesses, experience has taught me that complete confidentiality about any thoughts of selling are in the best interests of every business owner. Consequently, the best time to make any announcements about selling will be on the afternoon of the day your transaction closes. That announcement should be well rehearsed and should include a personal introduction of the New Owners.

The meeting should be planned in advance so that 100% of all employees are in attendance. In that meeting, you can explain your personal reasons for selling and that, after a diligent search, you have found the ideal New Owners.

You also can explain that you will continue to be involved in the operation of the business for a period of time in working with the New Owners. Then, the New Owners should explain their background, the reasons for being interested in the business and their desire to do whatever is necessary in order to grow the business and create more opportunities for everyone involved. Last but not least, the New Owners should indicate they plan "no changes" and want to meet individually with each employee to get their ideas and suggestions about how to best grow the business.

Typically, any person buying your business will want to keep virtually all of your employees, as they represent a significant portion of the value of your business. Jobs will be lost only in those extremely rare instances when a New

Owner intends to relocate a business a great distance, and then normally after a period of both notice and transition.

The fact of the matter is that virtually all employees fare better in the future because a high percentage of New Owners come in with additional capital and a desire to grow their new business. This growth typically spells opportunity for employees who want to grow their careers and who welcome working with a New Owner.