

Title:

Sell Bar -Steps to Selling a Bar

Word Count:

689

Summary:

Selling a bar can be a difficult task. By following the correct procedures it can be done easily and effectively

Keywords:

business broker, real estate, business sale, sell business

Article Body:

Running a bar can be a thrilling experience, but it takes a lot of knowledge to sell a bar. Buyers expect a lot of information to ensure things are in order.

Timing - The timing for the sale of a bar is very important. The bar should be doing very well with plenty of repeat customers and the possibility of retaining the customers with the new owner is crucial. If there are certain times in a year, when the bar is usually full, then prepare to sell it during that period.

Another thing about timing is that, at the time the business is put up for sale, there should be no contracts that are going to expire soon, or else buyers tend to reduce bids.

Bar owners manage their business using the strategy of reducing the taxes by reporting less income, and buyer's first look at the income that is reported in the tax returns in order to place a value on the business. This is where advance planning becomes important. The years prior to putting a business up for sale should be carefully planned and more income shown, even if one has to pay taxes.

Seeking Advisers/consultants - It is advisable to consult advisers or experts to understand government regulations better. Accountants can help with the financial aspect and taxes. An attorney can help with the legalities. If the bar is well-established and depending on the size, one can either use the advice of the experts or engage them to get things done, including valuation, packaging, locating buyers and negotiating the sale.

Confidentiality - The worst part about selling a bar is that, it can have a

negative effect on the bar, once it is made public that the bar is for sale. The employees, competitors, customers will start drifting and in turn destroy the placing of the bar, lessening the value.

We also need to talk about how confidentiality needs to be maintained. Limited information should be given to the potential buyer, until it is determined that the buyer is legitimate and genuine. Asking the buyer to sign a non-disclosure agreement is a must.

After signing of the non-disclosure agreement, the buyer can be given the other confidential information regarding finances and operations.

Establishing the worth - The worth of a bar must be made known to the buyer. For this, the first step is to get everything evaluated. It helps to seek the help of an experienced evaluation expert. This is a must not only for the seller to fix a price on the business but also for the buyer to understand and appreciate the value of the bar.

Terms of sale - Pricing is not the only factor that needs to be taken into consideration when selling a bar. The current financial situation and the health of the bar are factors that will also influence the sale. Another important aspect is how the payment would be made, a complete cash deal or offering seller financing, the involvement (if any) of the seller in the bar business after the sale is made and the ownership transferred. Mutually agreeable terms can be arrived at after discussions.

Some buyers may wish to get the seller to finance all or part of the sale. Seller financing usually gets the seller a better deal.

Recasting financial statements - This means checking the financial statements to avoid showing that less income was portrayed to avoid taxes, engaging in any illegal transactions that may effect the bar business, or having shifted some personal expenses to the bar. Adjustments in the balance sheet and income statement should be done if needed.

Advertising - The most crucial step in selling a bar business or any other business for that matter is advertising. Targeting an active network of buyers is important to reach qualified prospects with capacity to acquire the bar business for sale. Identifying and screening to evaluate the financial strength of the buyer is extremely important.

With all these things done, one cannot go wrong in selling their bar business to the best buyer and be happy in the knowledge that their business is still in

good hands.