



# Thinking of selling your business? Fill this out first.



Explore the questions in this worksheet and use the additional information provided in the [accompanying article](#) to decide your next steps.

## How much is your business worth?

There are a number of ways to determine your valuation. Consider which approach might make the most sense based on the type of business you run:

	Asset based	Market based	Income based
Good for	Companies with lots of tangible assets (such as inventory or machinery).	Small businesses with larger competitors that have publicly available information.	Profitable businesses. Note: Most income is calculated as earnings before interest and tax.
Not ideal for	Companies with intangible assets, like customer lists, trademarks, or developed technologies.	Niche companies with few, or very private, competitors.	Businesses who've struggled to turn a profit. Instead, look into revenue-based valuations.

Now that you've considered type of valuation, think about your own personal circumstances.

## How much money do you hope to recoup by exiting your business?

To help with this question, consider:

How much money you've invested into the business:	Your monthly expenses:
Your personal income from your business:	What you'll do for income after the sale:

## Does a sale make sense?

There is both a personal and a financial angle to this question. Start with the personal:

Do you want to stay involved in your business:  Yes /  No

If yes, how active do you want to be?

---

If no, are you willing to help transition your business to a buyer?

---

Next, consider your financial situation.

Would you prefer:

<input type="checkbox"/> A lump sum	<input type="checkbox"/> Gradual payments	<input type="checkbox"/> A combination
-------------------------------------	-------------------------------------------	----------------------------------------

Consider the types of sales and what they mean for both your personal and financial needs:

	Outright sale	Partial sale	Gradual sale	Revenue/profit share
Payment	Generally a lump-sum payment.	Generally a lump-sum payment.	Gradual payments.	May include a combination.
Involvement	Generally none, though you may be asked to transition or be able to negotiate a role.	Your involvement may depend on how much of the business you retain.	Generally none, though you may be asked to transition or be able to negotiate a role.	Transitioning the business might increase your potential payout.

If you have business partners, ask them their opinion. If they don't want to sell, they may buy your share of the company. You can also:

- Look for buyers directly, via your network.
- Advertise a potential sale via any professional organizations you belong to.
- Consider a business broker. (Be sure to ask about terms and fees.)

### Does liquidation make sense?

List your business's assets (equipment, inventory, etc.) and relevant details:

Asset	Serial number (if applicable)	Other details

This asset list may help you with a valuation if you decide to sell your business.

If you decide to liquidate, consider the different types of sale to determine which makes sense for your business:

Consignment	Auction	Sealed bid	Retail
You turn your assets over to a dealer who handles the sale and pays you an agreed upon sum.	You can work with a traditional auction company. Some may handle this entirely online.	If you think competitors may be interested in your assets, ask them to submit sealed bids.	If your business relies heavily upon retail sales, you can conduct a liquidation sale on site.

### Are you ready for next steps?

IRS and tax paperwork might include:

Schedule C for income	Schedule D for assets	Accounts receivable	Form 941 for payroll taxes
If your expenses exceed your income, you can reduce your income tax exposure.	Reduce your capital gains tax by reporting losses.	Accounts receivable that you will not collect will count as bad debt, which you can write off.	You can write off Social Security and Medicare taxes, plus unemployment insurance.

**You'll also need to:** *(Choose all that apply.)*

- Talk to suppliers about ending contracts.
- Talk to vendors about ending partnerships.
- Talk to lenders about any outstanding credit/debt.
- Talk to any employees about next steps.
- Relinquish professional memberships.
- Close your business accounts.
- Cancel your registrations and licenses. List those here:  
\_\_\_\_\_
- File dissolution documents with your state and local government.

The decision of whether you want to exit your business and move on is complicated. Hopefully, answering the questions and considering the prompts in this worksheet helped you sort through that choice, so you can move forward with confidence.

Information and views provided are general in nature and are not legal, tax, or investment advice. Wells Fargo makes no warranties as to accuracy or completeness of information, including but not limited to information provided by third parties; does not endorse any non-Wells Fargo companies, products, or services described here; and takes no liability for your use of this information. Information and suggestions regarding business risk management and safeguards do not necessarily represent Wells Fargo's business practices or experience. Please contact your own legal, tax, or financial advisors regarding your specific business needs before taking any action based upon this information.