

EXIT MATTERS...



By Nigel Cook, ceo of Evolution Capital

If you ever sign up for an economics course, you'll soon be introduced to the concept of Economic Man. He's the chap who will invariably buy in the cheapest market and always sell in the dearest. Two minutes after first hearing about him, you'll be informed gently that he's only a figment of the imagination – such discipline is impossible.

I remembered this recently when I visited a car dealer. In a glitzy showroom a deferential salesman led me through the plus points of a candidate second car – the family runabout and reliable workhorse. The specification was perfect, the price a steal and I was almost sold. But not quite. Yes, it's a fact that Czech engineering has a distinguished pedigree. It gave the British Army the Bren gun. It supplies Lakeland with the super efficient and huge selling Remoska mini oven. But I just couldn't replace an Audi with a Skoda despite the brands' common ownership.

I don't suppose I'm alone, and I think that there's a lesson here for anyone thinking of selling a business. The truth is that, illogical or not, you buy something not just for what it does but for the way ownership makes you feel. What drives that feeling is, quite simply, gut instinct. Skoda still suffers from the reputation it attracted in the communist era. And while it's a different world now, attitudes are slow to change.

Sellers are judged on appearances. So your accounts need to be well presented. If your premises look scruffy and tired and your staff give the impression that they have regular meetings with their social workers, any prospective buyer will take a critical view that will hit the price.

It's no good claiming that the fundamentals are sound. Impressions count and first impressions count more than most.

TOP SALES TIPS ►

- Be better • Be persistent • Be honest
- Seek good advice • Be punctual
- Listen and learn • Hit your targets
- Develop drive • Be determined
- Be hard working • Make it happen

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