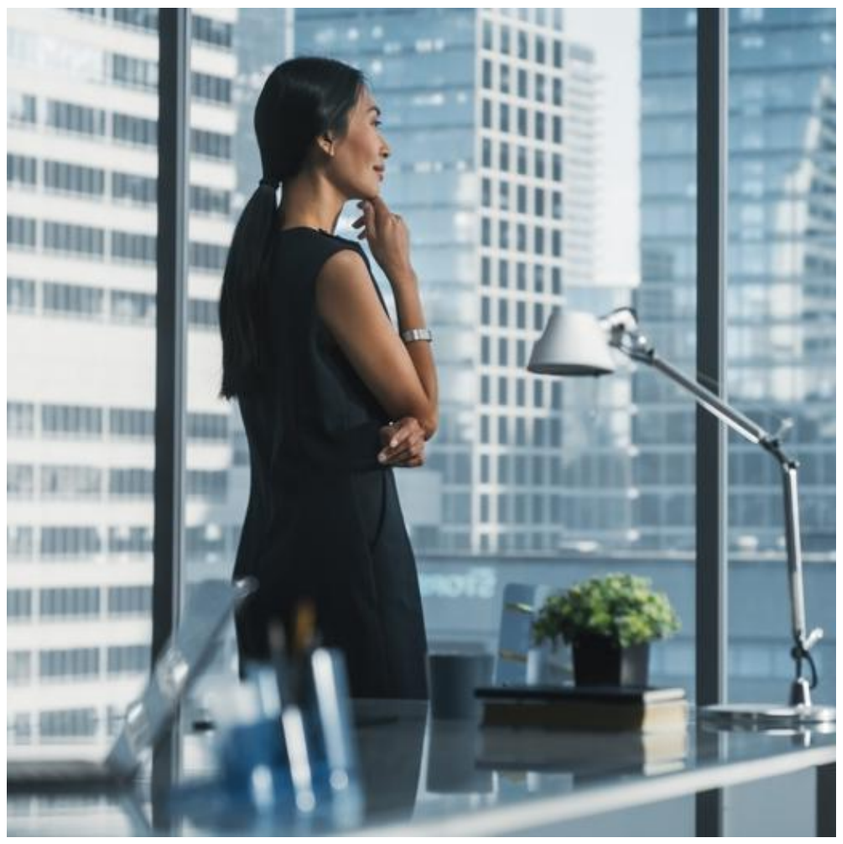
Evans Wealth
MANAGEMENT

Avoiding The 10 Most Common Traps When Selling Your Business

The single most important financial event of your life deserves careful preparation and expert guidance.

The High Stakes of Your Business Exit

For most business owners, the sale of their company will be the single most important financial event of their lives. After decades of building, leading, and sacrificing, the decision to sell is both exciting and daunting.



Unlike running your company—something you've mastered through years of experience—selling it is a **one-time event with no do-overs.** You only get one chance to get it right.

The reality is that many deals fall apart or close at far lower valuations than they should—not because the businesses weren't attractive, but because owners fell into avoidable traps.

As a wealth advisor and exit planning professional, I've seen these mistakes play out firsthand—and I've also seen how the right preparation and the right advisory team can completely change the outcome.

These pitfalls, often rooted in emotion, poor preparation, or going it alone, can cost you time, credibility, and millions of dollars.

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Trap #1: Indecision

Testing the Market Without Commitment

The Problem
Some owners "test the waters" by entering the market unprepared, only to receive low offers or no offers at all, leaving their business with a damaged reputation when they pull back.

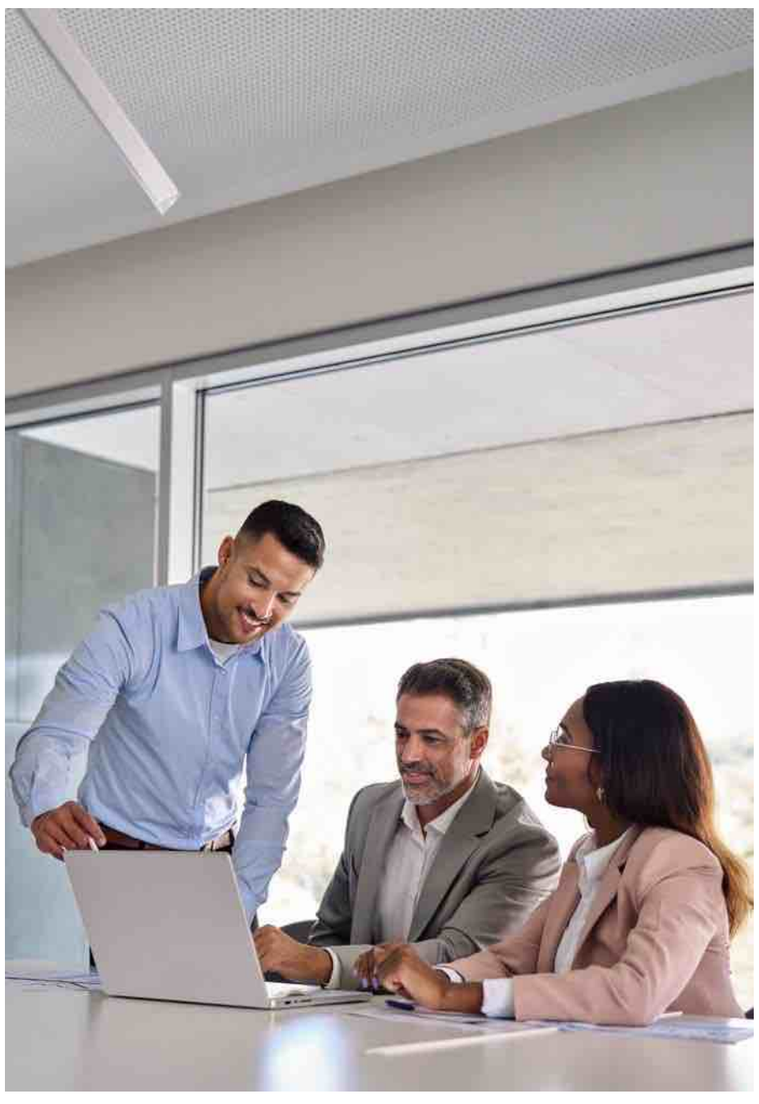
The Consequence
Buyers may later assume the seller is indecisive or that something is wrong with the company, making future sales more difficult and costly.

The Solution
Prepare thoroughly, commit fully, and assemble an experienced advisory team before ever going to market.

Takeaway: Enter the market only when you're fully prepared. False starts can taint your company's reputation and cost you millions.

Trap #2:

Negotiating Solo



In the early stages, buyers often seem agreeable, but this never lasts. As negotiations progress, they will probe for weaknesses and push for new terms.

For many owners, criticism of their life's work sparks emotional reactions that can damage the deal. **Advisors provide the necessary distance**, bringing objectivity and perspective that keep negotiations rational, focused, and moving toward a successful close.

Emotional Owner
Takes criticism personally, reacts defensively

Objective Advisor
Maintains distance, evaluates rationally

Successful Close
Deal stays on track, maximum value achieved

> **Takeaway:** Your advisory team serves as both a buffer and an objective guide, helping you evaluate buyer demands rationally and keeping the entire transaction on track toward a successful close.

Trap #3:

Poor Presentation

Buyers see your business through a very different lens than you do—they focus on risks, compliance, and financial performance, not the years of sacrifice you've invested.

Your Perspective
- Years of sacrifice
- Personal investment
- Emotional attachment
- Growth journey

Buyers' Perspective
- Financial performance
- Risk Assessment
- Compliance Issues
- Future Potential

The M&A Team
- Years of sacrifice
- Personal investment
- Emotional attachment
- Growth journey

Poor preparation rarely kills a deal, but it almost always reduces the check you receive at closing. Without an experienced M&A team, every buyer's probe for weaknesses becomes a price reduction that costs you real money.

> **Takeaway:** Preparation and the right team don't just help you sell—they help you sell for maximum value.

Trap #4:

Hiding Problems from Advisors

Think Like a Doctor Visit

Just as hiding symptoms from your doctor prevents proper treatment, concealing business issues from advisors prevents them from developing effective strategies to minimize impact.

Buyers Will Find Everything

Every company has blemishes, and buyers will eventually uncover them. The real mistake is not preparing your advisors to handle these discoveries strategically.

Protect Your Credibility

Full transparency with your team allows them to turn weaknesses into manageable risks instead of deal-breaking surprises that damage your reputation.

> **Takeaway:** Full honesty with your advisors turns weaknesses into manageable risks—instead of deal breakers.

Trap #5:

Hiding Problems from Buyers

The Trust Equation

It's not enough to be honest with your advisors—you must also be transparent with buyers. They will uncover every issue eventually, and if they find you've hidden something, your credibility will vanish and the deal may collapse.

01

Identify Issues Early

Work with advisors to catalog all potential concerns

02

Develop Disclosure Strategy

Plan how and when to share information

03

Manage Risk Perception

Present issues in context with solutions

04

Maintain Trust

Keep communication open and honest

ⓘ Even details you consider minor, like small contracts, must be shared because in the buyer's eyes, everything matters.

Takeaway: Transparency builds trust, and trust is what keeps deals alive.

Trap #6:

Playing the Lone Ranger

The Lone Ranger Approach
Going solo creates confusion, slows the process, and risks damaging your credibility with sophisticated buyers who expect professional representation.

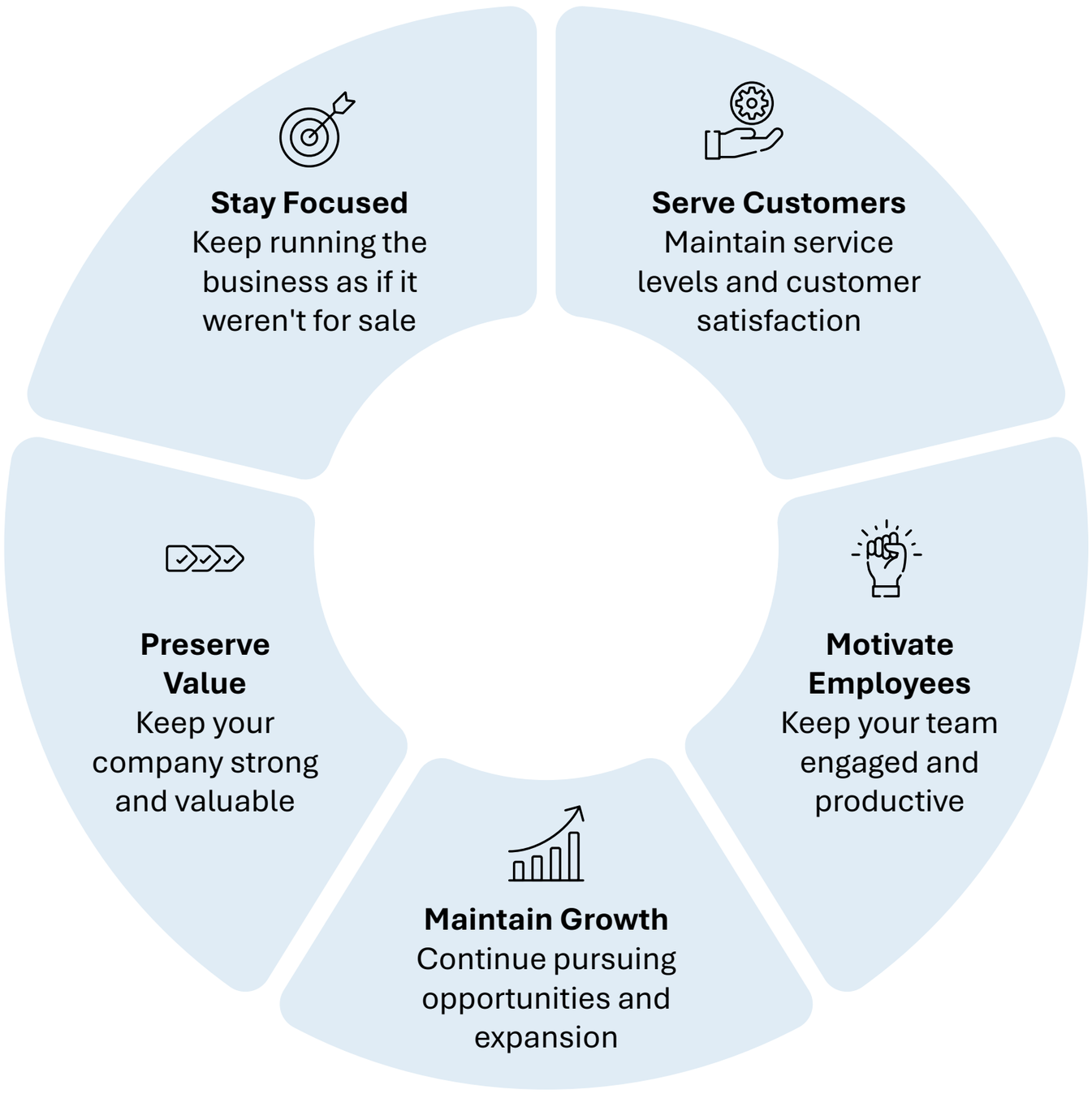
The Team Approach
All communication flows through your advisory team, ensuring clear, consistent strategy and demonstrating that you know your limits and leverage expertise.

Why Buyers Respect Teams	Team Communication Benefits	Owner Focus Areas
• Shows strategic strategic thinking	• Consistent messaging	• Running the business
• Demonstrates s preparation	• Professional presentation	• Strategic decisions
• Reduces transaction risk risk	• Strategic coordination	• Final approvals

> **Takeaway:** Strength is shown not by going it alone, but by leveraging the expertise of the team you've assembled.

Trap #7:

Becoming Distracted from Running the Business



If earnings dip, buyers will notice, and no advisor can undo the damage of declining performance. Your top priority must remain running the business.

> **Takeaway:** A thriving business is your best negotiating tool. Don’t let the sales process weaken it.

Trap #8:

Overlooking Third-Party Consents

Before a sale can close, you may need approval from third parties such as landlords, lenders, key customers or vendors, and minority shareholders. Securing these consents can take time, especially when landlords or banks must verify a buyer's financial strength or when minority shareholders see an opportunity to complicate the deal.

Waiting until the last minute to address these issues risks delays, renegotiations, or even litigation. The best approach is to identify required consents early and work with your attorney to develop a strategy for securing them well before closing.

Critical Timeline: Third-party approvals can take 30-90 days or more. Start early to avoid deal-killing delays.

01

Identify Required Contracts

Review all contracts and agreements.

02

Develop Strategy

Work with an attorney on approach

03

Execute Early

Begin process well before closing

> **Takeaway:** Anticipate and resolve third-party approvals early. Last-minute surprises can derail your deal.

Trap #9:

Loose Lips

Confidentiality is critical in any business sale, yet breaches most often come from the owner, not the advisors. A casual comment to a "trusted friend" can spread quickly, creating anxiety among employees, opportunities for competitors, and nervousness among customers.

Employee Anxiety

Rumors about a sale can cause key employees to start looking for new jobs, potentially destabilizing your operations during the critical sale period.

Competitor Advantage

Competitors may use knowledge of your sale to poach customers or employees, or to position themselves more favorably in the market.

Customer Nervousness

Customers may worry about service continuity and begin exploring alternatives, potentially reducing your business value.

Even small leaks can erode stability and hurt valuation. That's why advisors carefully plan when and how information is shared, usually only once the deal is nearly certain to close.

Information Control Strategy

- Limit disclosure to essential parties only
- Use non-disclosure agreements consistently
- Plan communication timing carefully
- Prepare standard responses to inquiries

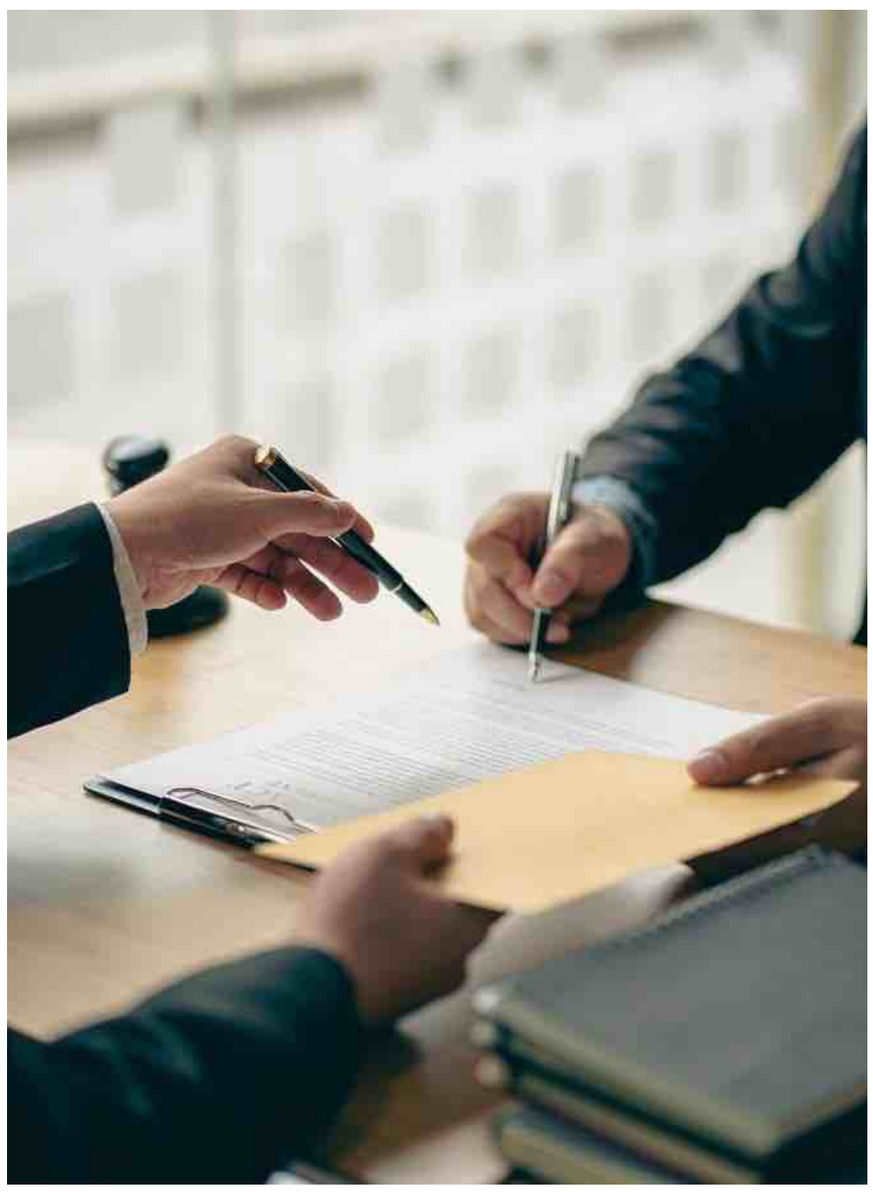
> **Takeaway:** Protect confidentiality relentlessly. Loose lips can cost you employees, customers, and deal value.

Trap #10:

Losing Perspective During the Rollercoaster

Every deal feels like a rollercoaster—there are highs, lows, and sudden turns that can make even strong transactions feel unstable. The difference between chaos and progress is having an experienced advisory team that knows how to steady the process and keep it on track.

1	2	3	4	5
Initial Excitement	**Due Diligence Stress**	**Negotiation Tensions**	**Final Push**	**Successful Close**
High energy and optimism as the process begins	Intense scrutiny and document requests create pressure	Back-and-forth on terms can feel overwhelming	Last-minute issues and closing preparations	Relief and satisfaction at deal completion



Staying Grounded During Turbulence

Your job as the owner is to remain calm and rational, even when emotions run high. If you trust your advisors and stay focused, they will guide the deal to closing.

Trust Your Team

Experienced advisors have navigated these waters before

Focus on Facts

Base decisions on data, not emotions.

Maintain Operations

Keep running your business efficiently.

> **Takeaway:** Expect turbulence but rely on your team. Patience and perspective are key to a successful exit.

Your Path to a Successful Exit

Selling your business isn't just another transaction—it's the culmination of your life's work and the gateway to your next chapter. The difference between a successful exit and a disappointing one often comes down to avoiding the traps we've outlined: indecision, poor preparation, hiding problems, going it alone, and letting emotions take over.

Avoid Common Pitfalls

These traps are common, but they are not inevitable with proper planning and guidance.

Build the Right Team

Experienced advisors make the difference between chaos and successful completion.

Follow Proven Process

A systematic approach ensures nothing is overlooked and every decision supports your goals.

The Evans Exit Method

With the right planning, the right team, and the right process, you can move through the sale with confidence, protect your legacy, and maximize the value you've worked so hard to build.

That's why I've developed **The Evans Exit Method**, a proven framework that guides business owners step by step through the transition, ensuring nothing is overlooked and every decision supports your long-term goals.

Ready to Begin Your Exit Journey?

If you're beginning to think about selling your business in the next few years, now is the time to prepare. Let's talk about how The Evans Exit Method can help you avoid these costly pitfalls and create an exit that secures both your wealth and your peace of mind.

Evans Wealth Management

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