

“SELLER EMOTIONS”

Selling a business that you have owned for several decades or that has been in the family for several generations can produce some pretty strong emotions. Generally those emotions will run the whole gamut from “couldn’t be happier to get rid of all the headaches” to “why did I ever think of giving up something I have worked so hard to build and has been so good to me and my employees.”

After recently closing a successful sale transaction, my client said he understood why I had told him, on several occasions, that selling a business is a “process” and not an “event.” He expressed his gratitude for guiding him through that process. Clients need to feel secure in the decisions they are making at such a critical juncture in their lives. My role is to make sure clients have all the information they need, understand their alternatives and know the likely outcomes of different scenarios so they can make the right decisions.

Preparing the client, at the outset, for what lies ahead in the sale process can knock down a lot of the emotional difficulties that could otherwise come up. I take great care to try to really understand what clients are thinking and feeling before the process begins. Uncertainty in a sale process can lead to additional stress and heightened emotions. Throughout the sale process, I communicate with my clients to make sure they understand what steps are being taken and why they are being taken. Clients should not feel rushed. They should always feel like they fully understand all the issues and the manner in which those issues are resolved. Eliminating uncertainty eliminates a lot of stress and emotion.

Consideration for “Seller’s emotions” should be kept front and center throughout the sale process. Heart surgery is a very invasive surgical procedure and the sale process is a very invasive business procedure. Just as recent studies show that heart surgery can take a tremendous emotional toll if the heart is not handled properly; a business sale can be an emotional train wreck if not handled properly. I make sure the emotional train stays on the tracks not only for the well-being of my clients, but for the ultimate success of their sale transaction. Clients should reap the economic rewards they deserve, as well as feel emotionally satisfied with the transaction that is the capping moment of many years and/or many generations of hard work.

This article was contributed by Roger L. Nue, JD, CPA and Principal of the M&A Law Firm, Irvine, CA.