

## **The Business Experts Bureau Great Business Idea - Tuesday 29 June 2010**

The objective in owning a business is straight forward and that is to create wealth. A business provides you with an income stream, job security, lifestyle and independence while allowing you to build the value of your business for eventual sale.

In looking at the major factors in determining the value of a business we firstly we need to recognise that each and every business is different. Each possesses their own characteristics, risks and opportunities. However there are a number of measures that determine business value, both financial and non-financial. As an example, a high % of gross profit would suggest that the firm has a strong point of difference in the products and services it provides while firms with well documented procedural systems and competent staff structures in place will always attract the attention of investors.

A well run business will have mechanisms in place to manage risk and maximise profits which will ultimately be reflected in any eventual sale price.

It is never too early to prepare your business for sale. In fact get ready to sell your business the day you buy it! Obtain specialist advice early on and put in place some clear goals and objectives to exit.

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