

Selling memorandum



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What is a Selling Memorandum?

A Selling Memorandum contains vital business information and documentation along with details of the unique features of your business. A Selling Memorandum contains all relevant business information and is provided to potential successors and prospective buyers during preliminary discussions relating to succession of the business.

A Selling Memorandum will assist prospective buyers to make an informed decision about the purchase of your business. Therefore, it is essential that prospective buyers are provided with the most accurate and up-to-date information relating to your business. A Confidentiality Agreement should also be prepared, and signed by prospective buyers and possible successors, before handing over your Selling Memorandum to them.

Why is a Selling Memorandum important?

- If buyers have a high degree of confidence in the accuracy of the information provided to them, this will be reflected not only in the sale price, but in the entire sale process.
- It is a simple tool, used to demonstrate the uniqueness of your business
- It contains relevant sale information which will assist in sale discussions
- It will increase your opportunities for sale

What is included in a Selling Memorandum?

Some of the information to be included in your Selling Memorandum includes:

- The products or services you provide
- The history of your business
- Details of your clients
- Details of employees and employee agreements
- Details of business achievements
- Company policy documents
- Business alliance agreements
- Details of your unique selling points
- Financial information
- Business Plan
- Marketing Plan
- Licences & Accreditations
- Register of information available for buyers' due diligence – including financial information and documentation.

One of the key inclusions in your Selling Memorandum is your unique selling points. Your unique selling points are the features that distinguish your business from your competitors.

Some examples of unique selling points could be:

- Your differentiated product or service
- Your loyal valued client base
- Your business specialisation
- Your business culture
- Your net profit as a % of total income
- Your level of sustainable income

You must only include true and accurate information. Expect that all information will be heavily scrutinized by the buyers professional advisors to confirm its' accuracy.

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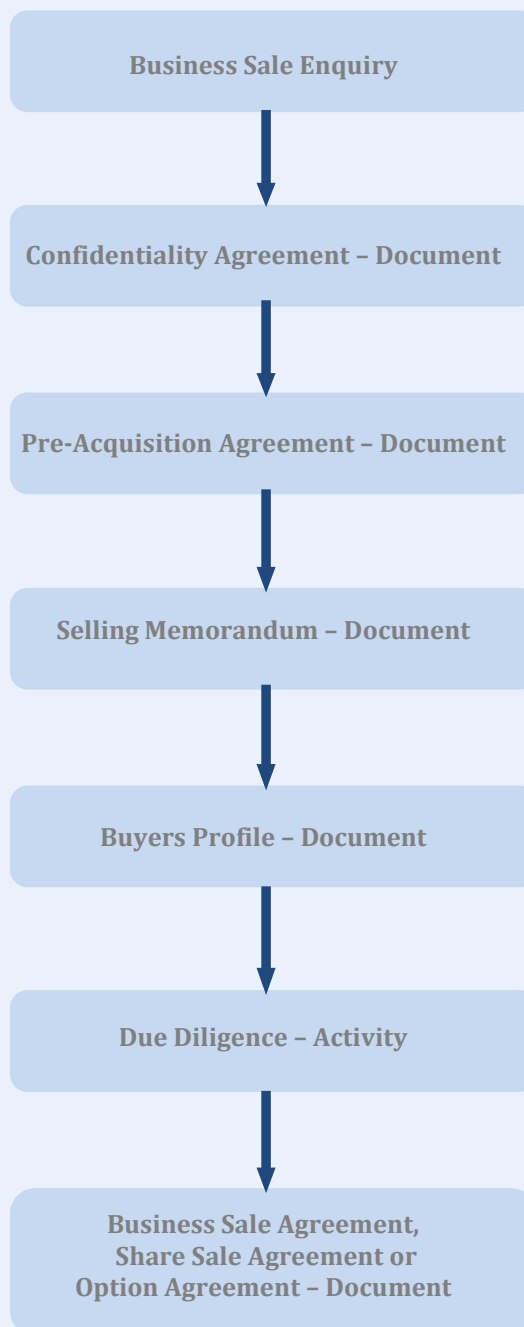
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What documentation is required during the sale process?

Set out below is a list of the process and documents typically required from enquiry to sale:



How do I prepare a Selling Memorandum?

Ask HBA Encompass for a 'Planning for Sale Checklist' which will provide you with information that will assist in the preparation of your Selling Memorandum.