

How do you value a business for sale?

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If you're looking to sell your business, or looking to buy one, valuation is important for knowing what an appropriate selling/buying price is. How do you value a small business for sale? [You speak to the experts.](#) A professional business valuation will determine the market-related value of the business, as well as provide useful insights in decision-making.



{{IMAGE}}

Benefits of using a business value calculator service

Although not mandatory, getting a true and accurate valuation for your business will enlighten both buyers and sellers in different aspects of the business.

In-depth look at company assets

When valuing a business, you don't only look at the tangible assets of the business but the profits, intellectual property, number of years the business has been established, contractual-based income. All these aspects play a role in the value of a business. Looking at the physical assets of the business can help you in the following ways:

For the seller:

- Business owners can secure accurate insurance coverage.
- Accurate values on your assets will assist a business owner to acquire additional capital to expand the business.
- Intellectual property, such as trademarks, patents, trade secrets, copyright, domains, and the likes, are also assets and a value can be attributed to them.

For the buyer:

- Buyers know how much the business' assets are worth and can make an informed decision during negotiations.
- They are informed about what assets the company possesses and what is required to expand the service offering.

- They can then select which assets they want to retain and which not.

Know which business landscape the business fits into

By having a true company valuation, buyers and sellers can distinguish where their business fits in terms of their [business landscape](#). This will give either party comparable market prices within the same landscape, giving buyers the opportunity to “shop around”, and sellers insight into a fair selling price that they can adjust accordingly.

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More for sellers than for buyers in this instance, selling your business can be a long and tedious process if valuations aren't accurate and up to date. If there are buyers who may be interested in your business, you'll want to be prepared with the correct paperwork. If they have to wait too long, they may find other businesses and you may lose a valuable sale. Businesses need not be valued just because they are selling. It's advised to prepare yearly business valuations to assist business owners to make important decisions, re-evaluate their business model or acquire funding.

[Business for Sale](#) is one of Africa's most comprehensive online resources for buying or selling a business or franchise. With a full listing of business opportunities, business-broking tools, valuations, knowledge-sharing and services, Business for Sale is the portal of choice for entrepreneurs, agents and business owners. Whether for buyers or sellers, we provide expert advice on businesses for sale. [Contact us](#) for more information.

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