

# Can you afford to sell?

A “Business Value Gap” is the difference between the value of your business today and what you need it to be at time of sale. A shortfall can have a significant impact on your retirement plans and may force you to reassess your desired standard of living in retirement. Worst case - it can mean you can't afford to sell.

Retirement should be the best years of your life - the time for you to reap the rewards of your labour. As you approach retirement you need to determine your business value gap.

## **Business value gap analysis**

Do you know?

- What your business value needs to be at time of sale?
- How many years it is until you can afford to sell?
- A future profit target that guarantees you a desired standard of living?

Business value gap analysis is a simple process of determining your retirement income and assets, business value (current and future) and strategies to improve business profit and wealth.

## **Grow before you go**

If your business value gap analysis reveals a shortfall in business value then you will need to implement business strategies to improve your profit before you sell. For example, improving your average sale per customer will increase sales, gross margin and net profit. Knowing what your business value needs to be means you can calculate your future profit, gross margin and sales targets.

Value gap analysis provides business owners and managers with piece of mind from understanding the nexus between a future standard of living at retirement and business value.

Accounting North can advise on how to maximise the sale of your business, call our office to speak with one of our Valuation experts today.