



SELLING YOUR RESTAURANT

A personal guide

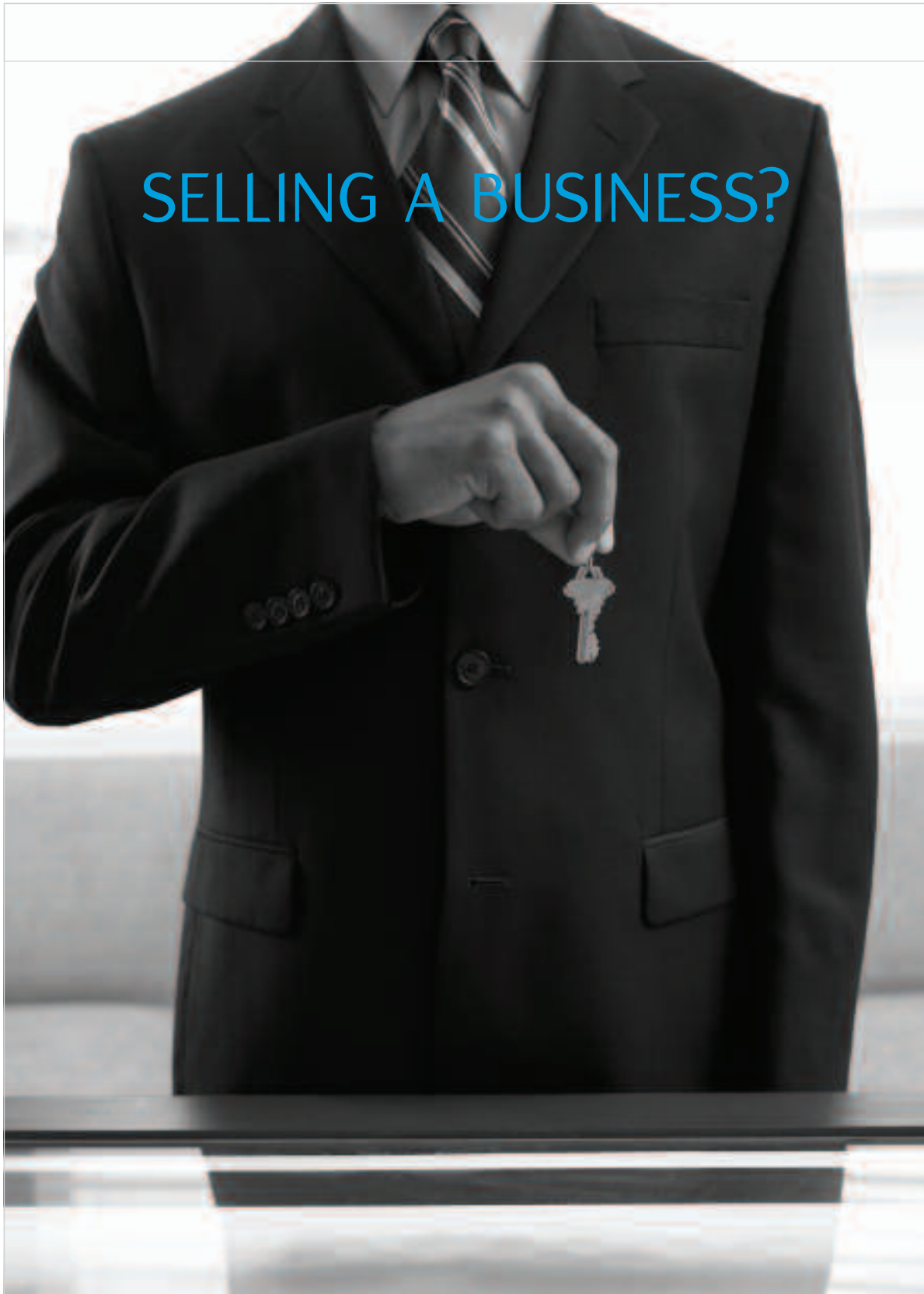
SELLING YOUR RESTAURANT

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SELLING A BUSINESS?



LET'S GUIDE YOU THROUGH THE PROCESS

Selling a business is certainly a more complex process than selling a house. But it doesn't need to be a stressful experience if you are willing to take specialist advice.

At Christie + Co, we've been selling independent businesses in your sector for more than 70 years and our knowledge is unrivalled. Our people are the best in the business — experienced, enthusiastic and dedicated to giving accurate and honest advice.

Through our people, our experience, our sector knowledge and our office network, we've built up a huge pool of relevant information. It's what we call business intelligence.

This guide aims to help you through the process of selling a business. It tells you the things you need to think about and action to take at each stage, which will maximise your chances of selling at the best price.

We work in partnership with hundreds of business vendors every year, successfully guiding them through the sale process. Hopefully this document will demonstrate how it can guide you through the process with equal simplicity and success.

CHRISTIE + CO SALES PROCESS

- 1 Thinking seriously about selling
- 2 Putting your business on the market
- 3 Considering offers and negotiating
- 4 Dealing with solicitors and progressing the sale
- 5 Binding contract and completion

THE IDEA OF SELLING



“I’m not interested in selling my business, although...”

Although the thought of selling their business may be far from their minds, some owners choose to meet with us when they discover that we’ve successfully sold similar properties in the area. Others simply want to chat about the market.

Whether you’ve already made your mind up or not, the **idea of selling** is a lot more attractive with the right help and expertise behind you.

The right people to talk to at every stage



A Christie + Co **agent** will know your sector, your business and potential buyers throughout the UK. He or she will also know what your business is worth and how to present it to the market to ensure that the best price is achieved for you.

A Christie Finance **broker** knows who can afford to buy your business or can find ways of helping you keep it, or expand it, through re-financing.

Questions to ask yourself

Not for sale at any price?

Many business owners would be tempted to sell if the price was right. Maybe somebody out there is prepared to pay the right price for your business!

Why sell and when?

There are lots of reasons other than price for selling – such as retirement, end of partnership, poor health, or a change of lifestyle. So, does it matter when you sell? Not really. There's never a bad time to sell a good business! But it can be stressful, so help from understanding experts is essential.

Can you get the right price?

You've worked hard to build your business so there's every reason to get the highest possible value.

Do you know what you need to?

What price do you set for your business? How can you sell it most effectively? How to manage it whilst still running the business? What's the schedule of events and processes? What information to gather and prepare? If you don't sell businesses every day, there's quite a steep learning curve to negotiate.

“If you're serious about selling, appoint an agent who is too!”

“All types of restaurant are popular; from high street businesses through to country tea rooms”

About Christie + Co

Need access to buyers?

Christie + Co has a [network of UK and international offices](#), and a huge multi-media marketing resource including a [website](#) with over 34,000 regular users and over 3,200 businesses, which are genuinely for sale. We also hold the major advertising pages in the most effective trade media. So anyone interested in buying a business is likely to be on our radar.

Looking for support?

We understand the minefield of selling a business and we're always on hand to guide clients through it step by step. We're face to face people, happy to visit owners many times before they even decide to sell. And we give honest advice, not just what we think you want to hear.

Want real value?

Some say that valuing a business is an art rather than a science. At Christie + Co we analyse buyer behaviour at a local and national level, which helps us to understand real business values. Because we sell more, we know what a buyer will pay for your business.

www.christie.com



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Questions to ask yourself

Do you understand the key issues?

You need to start looking at your business from a buyer's point of view. What are the pros and the cons? What are comparable businesses selling for? Why would you be attracted to the business? You also need to start looking for smart professionals whose selling expertise and services you can depend on. Who you know and what you know can make all the difference.

Is finance forcing your hand?

Maybe you're considering selling because you feel it's the best financial option? If you need funds to make positive changes to your business, then refinancing could be a possibility.



About Christie + Co

Prefer experience?

We see hundreds of business owners every week. We're market leaders in all our sectors. We've been in the business for over 70 years. We're not just up to speed with the market, we're setting the pace.

Seeking knowledge?

We make it our business to know every business we sell. And we know how to reach those hoping to buy and how to excite them. As an industry leader, we also have contacts with highly knowledgeable professionals such as accountants and solicitors to work with you at every stage of the selling process.

Require finance?

Uniquely amongst agents, we work with our in-house business mortgage specialist Christie Finance. With expert brokers in every local office, we can offer a refinance alternative to sellers as well as vetting and financially assisting potential buyers. Wasted time is wasted money.



www.christie.com

“Many agents think selling businesses is easy and become “specialists” overnight. We have been in the business of selling businesses like yours since 1935 and are constantly investing to ensure the very best service and products for our clients.”

1 | THINKING SERIOUSLY ABOUT SELLING

Christie + Co Sales Process

- 1 Thinking seriously about selling +
- 2 Putting your business on the market
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“What can I do to speed up the sales process?”

“What can I do to maximise my chances of selling?”

At Christie + Co, we use every possible means to ensure a successful sale process and clinch the best deal for you. Which is good news when you're **thinking seriously about selling.**



The right people to talk to at every stage

Your **accountant** will help you consider the financial paperwork and prepare your business for sale.

Your **solicitor** will prepare a contract of sale and look at clearing potential legal hurdles that may affect the sale or the price.

Your Christie + Co **agent** will be using business intelligence to weigh up potential strengths and weaknesses and determine the best possible strategy for selling your business.

Thinking about selling? What do you do now?

Start preparing your business for sale

By getting all your financial and legal paperwork in order now, you can save a lot of time later on. It also creates a more 'watertight' case for facts and figures, making it harder for potential buyers to knock you down or play hardball. Momentum is everything when it comes to negotiating price.

Consult with your professional advisers

Professionally prepared material can mean a higher selling price for you, more likelihood of finance (ie a mortgage or loan) for the buyer and a quicker deal for all parties.

Your accountant will help with key financial data such as trading accounts, certificate of turnover and whether to sell the asset or shares. Think about your tax position post-sale too. Make sure that the liabilities you'll incur don't make it impossible for you to sell the business!

Your solicitor can avoid later delays by preparing a draft contract of sale and covering off any ongoing legal issues that may need clarifying or resolving (eg planning permission).

What Christie + Co will do

We'll analyse what you're selling

Not just a quick visit, finger in the wind and add a nought. Quite the opposite, in fact. We'll analyse all the factors that contribute to the sale-worthiness of your business, particularly to a purchaser. Through our sector knowledge, we're also likely to know where you stand in the local business pecking order. We've probably valued or sold several similar businesses locally. And we can use all this business intelligence to advise you.

We'll get you a better price

We may cost a little more than the average agent but that is offset by the above average price that we should get through our unrivalled expertise. You only get one shot at selling your business, so make sure it's your best by using our premium service. That means full advice on sales process, strategy, pricing, buyer profiles, marketing and close attention to detail once we've found a buyer.



“What are you selling, an asset or the shares in a limited company? There are big differences. We can advise you on the likely sale price of either route.”

Thinking about selling? What do you do now?

Make your business look more attractive to buyers

This sounds like common sense but many sellers overlook small improvements that can make a big difference to generating interest in the business and to the ultimate selling price. A wisely invested £5,000 at this stage could repay itself several times over. Especially if it's based on shrewd advice from a good agent!

Appoint a tried and trusted sales agent

This is key to getting the best deal at the business end. It's easy to be swayed in the short term by bargain basement fees or the agent who puts the biggest price tag on your business. But do you really want a disappointingly low sale to the first bidder or no sale at all when you could have done much better? Going for integrity, experience and honesty is what gets results. And don't forget to inform your solicitor who you've appointed.



What Christie + Co will do

We'll work out who is likely to buy and why

We specialise in telling the story of a business well – and knowing things you need to do to help us tell it. If there's an angle for the buyer, we'll find it. From our massive and growing database, we'll find the buyers too. Not “rent-a-crowd” but high quality, tightly targeted prospects. In fact, once you've met with our agent, he'll probably have an idea of the first 10 prospective buyers he's going to contact by the time he's back at the office. That's the power of business intelligence!

We'll be open about our terms

We like to work closely and exclusively for our vendors because they get more out of it that way. You get 100% of our effort and attention. And you don't look desperate to sell or indecisive by going down the multi-agency route. It's a joint commitment to selling your business well. Buyers come to us because they know that our sellers are serious.

“We value restaurants by taking the value of the freehold, if applicable, onto which we add goodwill, by multiplying turnover and/or profit. We then use our business intelligence to determine what somebody would pay for it.”

2 PUTTING YOUR BUSINESS ON THE MARKET

Christie + Co Sales Process

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“I would rather deal with one professional who knows the process inside out”

At Christie + Co, we know that **putting your business on the market** is an important step for you. So we make sure that you deal with the same professional from the beginning to the conclusion of your sale.

We're totally committed to selling businesses and we're able to use a range of powerful tools to attract all the right people at the right price.



The right people to talk to at every stage

Your local Christie + Co **agent** will put your business on the market.

A Christie Finance **broker** will screen potential buyers and arrange finance.

The **buyers** will see your business is for sale through our national media network and arrange to meet you for viewings.

Now you're committed, there are some key considerations.

What's the best way to market your business?

Open marketing lets everyone know in advance, attracts attention and maximises interest. It also stimulates more competition from potential buyers, which can push the price up.

It's a more certain way of ensuring a sale – and often the best way to get the best price. We always aim to attract more than one bidder for a business; whether they be independents, multiple operators or corporates.

Closed marketing puts out feelers without arousing suspicion. Sometimes it is so confidential, potential purchasers are unaware of the opportunity. They may also question your commitment to sell. However, closed marketing is definitely a way of minimising disruption to the business if staff members and suppliers are unaware of your plans to sell.

“Running a restaurant is a serious profession and only for those who are committed to excellent customer service and quality. We endeavour to send this type of buyer to view your business.”



Christie + Co marketing

We market businesses appropriately

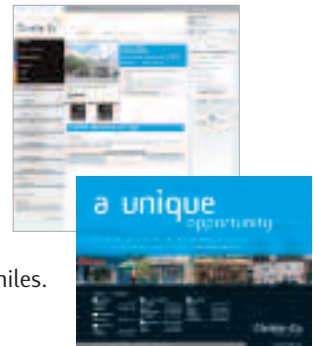
Whatever the marketing strategy, we believe that the vast majority of serious purchasers are either known to us, or will be attracted by our marketing activity.

We target directly

Our national buyer database, local office network and specialist sector knowledge enable us to pinpoint the right people straight away. While other agents take a shotgun approach, we take the sniper route.

We market creatively

As well as advertising your business in major publications, we also address the changing way the market works. So there's more emphasis on our effective website, direct marketing and the internal 'grapevine'. Our approach is so extensive that no potential buyer is off our radar, whether they're 500 metres away or 500 miles. We also tele-sell the business to vetted quality applicants supported by instant e-mails we create through our bespoke e-marketing system.



We sell efficiently

We have a tried and tested methodology of how to price your business and getting the price right. We also make sure your business is described accurately and get your agreement before we begin marketing.

And we understand that today's buyers check out businesses for sale on the web first. Which means they are more savvy before we approach them – so we need more in-depth knowledge and to sell a little harder.

Now you're committed, there are some key considerations.

How do you deal with viewings?

This is a key time for vendors. You need your agent to be a good supporter and 'buffer' to take the pressure off.

Remember you're in the spotlight

You and your business are on show. Don't assume you can let your guard down when no viewers are expected. Serious buyers often act as 'mystery shoppers' to get a true picture.

Set aside plenty of time to show viewers around and really sell the business. Be welcoming and receptive. Make it a quiet part of your business day, if possible. You're on show so look presentable and like you mean business.

Be thorough

Have books and records handy. Show them the whole business – not forgetting that the living accommodation is an important part. Make sure both parts are clean, tidy and uncluttered. Take the opportunity to ask the viewer questions. Think what they might ask and pre-prepare your responses.

Be positive

Talk about your success (if you've got it, flaunt it!). Sell your strengths. Recount examples of good business/customers, if applicable. Talk about the competition's strengths and weaknesses.

Be honest

Don't be afraid to tell them about the challenges and the competition. Talk about your weaknesses as well as your strengths. It helps buyers to see room for improvement. The less that comes out the woodwork later, the more likely you are to sell at the price you agree.

Christie + Co viewing

We'll get the best buyers to view

If there's a 'perfect' buyer out there for your business, our extensive yet tightly focussed marketing will find them. And no time wasters. Through our in-house mortgage team at Christie Finance, we can ensure the credit worthiness of applicants before we send them to view. Via Christie Finance, we can also pre-arrange funding on the business and insurance. That keeps it all under one roof.



We'll help you through the viewing process

By putting ourselves in your shoes, we can add value and take away flak from this stressful part of the selling process. For a start, we'll protect you from wasted time and effort by being the first line of contact with prospective buyers. We won't normally be at the viewing but we try to meet the applicant as often as we can, to check them out and field questions. We'll also keep in contact with you all the time. We appreciate that no news is not good news. We want you to feel that your business is our most important business for sale.

We'll report and review promptly

We'll chase all viewings to get feedback to you within 48 hours. We'll also review the marketing of your business. It can't always be a "one-hit-wonder" but there are plenty of different options at our disposal. Better to have a steady flow of quality applicants filtering through than "rent-a-crowd" on day one.

3 | CONSIDERING OFFERS AND NEGOTIATING

Christie + Co Sales Process

- 1 Thinking seriously about selling
- 2 Putting your business on the market
- 3 **Considering offers and negotiating** +
- 4 Dealing with solicitors and progressing the sale
- 5 Binding contract and completion



“Maybe we should accept the offer. We might not get a better one.”

As the seller, you'll be very keen to convert an offer into a done deal. With Christie + Co's experience in [considering offers and negotiating](#) on your side, you'll have a better chance of getting the offer you're hoping for.



The right people to talk to at every stage

Your Christie + Co [agent](#) will try to negotiate the price upwards and use business intelligence to overcome any hurdles that are hampering the deal going ahead.

We will also compare the offer received with similar businesses sold through us elsewhere before making our recommendations to you.

The presence of a Christie Finance [broker](#) can also help smooth the way for buyer finance through our considerable leverage with banks and other lenders.

Deal or no deal?

You've got a prospective buyer. Now all you need is to get the deal you want. This is the easiest and the most difficult part if you're the seller. Easy because you have little to do at this stage but accept or reject offers. Difficult because you have to be patient, wait for the best price and trust your agent.

This is where your agent can be worth their weight in gold by negotiating hard to add value and get you the best possible price. If you've made the right choice of agent, you can relax!

What the **average** agent will do for you

1. The **average** agent will receive offers from potential buyers, note them down and report back to you.

2. The **average** agent will probably persuade you to accept the first offer on the premise that it's usually the best and it'll close the deal fast.

3. The **average** agent will accept offers without analysing the motives behind them or different angles that could be used to your further advantage.

4. The **average** agent will report various offers for your consideration, without comparing and contrasting them in any great detail for your consideration.

5. The **average** agent will, for the sake of fast closure and saved effort, persuade the seller to compromise, rather than hold out for the desired price.

6. Then it's just a question of getting the offer in writing. And at that point an **average** agent will start thinking about their next customer and hand you over to their call centre.

Fortunately, Christie + Co doesn't employ average agents!

“The first offer isn’t necessarily the best but sometimes is! How do you tell whether you’re closing too quickly after the business goes onto the market? The highest offer is only the best if the buyer has the money to support it. Part of our job is to sort out who can offer you the best terms. If your business is leasehold, we’ll need to be confident that the buyer can provide quality references for the landlord.”

What Christie + Co will do for you

1. Rather than just report back with offers, the **Christie + Co** agent actually starts negotiating at this point, persuading buyers that the business is worth more. This is where we really earn our fee.
2. **We will** compare the offer on the table with the many businesses in your sector and locality that we’ve sold before, weigh up the facts and then give you an informed and honest evaluation of whether you could do better.
3. **We will** ask lots of relevant questions to establish the reasons behind the offer. What else has the purchaser seen? Are the figures not attractive? Only by using ‘intelligence’ to understand offers can a strategy be formed to move things on (and up).
4. **We will** consider a request from a potential buyer for exclusivity. However, we’ll also use that opportunity to ‘sell’ the right to that exclusivity by pushing the offer up in exchange.
5. **Our** loyalty is to the seller and to squeeze out every last drop of value for them. Sellers often use us because they’d originally bought through us and remember us persuading them to pay top dollar for the business!
6. Once **we** get the offer in writing, we’re already planning a highly organised time line of what happens next, before the ink is even dry.

4 DEALING WITH SOLICITORS AND PROGRESSING THE SALE

Christie + Co Sales Process

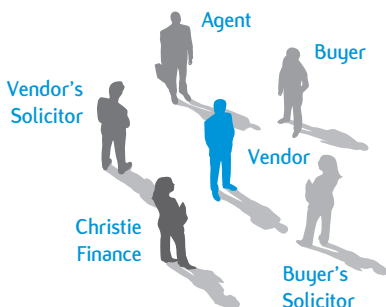
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“I hope they’re all talking to each other because nobody seems to be talking to me.”

Once you’ve got a buyer, all you’re worried about is getting the good news that everything has gone through successfully.

Christie + Co excels in **dealing with solicitors and progressing the sale** by getting confirmation from all the relevant parties that they know what to do – and making sure that they get on with it.



The right people to talk to at every stage

Your Christie + Co **agent** will draw up a schedule, keep things moving and ensure that everyone is up to speed and in the loop.

The **buyer** is monitored by us to make sure key steps such as valuation, survey and finance are being completed.

Both **seller's and buyer's solicitors** and accountants are contacted by us to ensure that the right checks, searches and conversations are being carried out.

Christie Finance can use considerable leverage with banks to get the buyer a good finance deal, if required.

The details that need to be tied up

The price is agreed. Job done?

Not quite. Before you can bank the cheque, there are a lot of other checks to be done first. And they're not straightforward because they involve people and paperwork. **All you need is a very good agent.**

Your progression checklist

1. Valuations and surveys need to be instructed (if not already done so), carried out and reviewed. Not the seller's job but a potential time killer if things don't get moving.
2. Draft documentation required from the buyer's solicitor to the vendor's solicitor. More red tape that needs to assume red alert status.
3. Buyer's solicitors need to raise any relevant enquiries. All solicitors, accountants and other relevant parties need to 'buy into' an agreed timetable.
4. Ongoing dialogue and processing of relevant legalities and documentation ensues.
5. Finance for the buyer of the business needs to be arranged and agreed, if not already done so.
6. Final due diligence by the buyer's accountants is carried out.
7. As the seller, you will be expected to provide information for the buyer, such as a staff list, fixtures and fittings list, details of lease/HP items and stock value.

“The buyer will probably require an inventory of the restaurant’s contents to be included in the contract. Make sure that any personal items not included in the sale are specifically excluded to avoid any disagreement later on.”

Christie + Co checklist

1. Christie + Co monitors the progress of the buyer to ensure speed and commitment. We ask questions – Has a valuation/survey been instructed? Where is the finance coming from?
2. We immediately liaise with all parties to ensure dialogue and progress – and to inject a suitable sense of urgency.
3. We take the initiative in these situations. It helps to move things along and enables the seller to get feedback from all parties through the agent (us) – their selling ‘partner’.
4. We will help both the vendor and buyer to answer queries accurately and promptly and chase up all issues from routine paperwork to more complicated matters.
5. We can call upon the considerable and unique resources of Christie Finance to facilitate finance at very favourable rates, through our leverage with lending institutions.
6. We talk to the accountants – to make sure that the financial “due diligence” is on track.
7. We have the vast experience required to help you prepare all the information a buyer will find useful in considering his purchase.

5 | BINDING CONTRACT AND COMPLETION

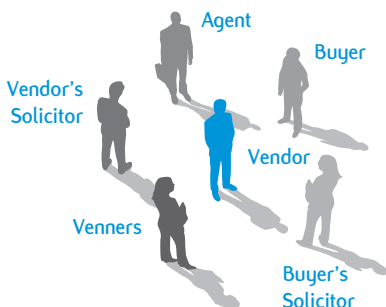
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“Well, it’s done but was it worth all the hassle?”

Christie + Co specialises in making the process of selling a business less stressful from start to finish.



The right people to talk to at every stage

We can arrange stocktaking through **Venners** which is part of Christie Group.

Our Christie + Co **agent** will keep in touch with you ready for the next business you want to sell – or buy!

It's a done deal

Once there's a binding contract of sale, the money's as good as in the bank. Then it's just a question of reaching completion to dot the "i"s and cross the "t"s. It's been a long haul but hopefully far less painful and more profitable for you than it might have been.

All that remains for you to do is arrange a stocktake with the buyer. And celebrate your new found status as the successful seller of a business!

"It's good to arrange a handover to introduce the new owner to staff, customers and suppliers. This should ease any anxiety or uncertainty caused by the sale."



Dealing with Christie + Co made it easier

We stick to our sellers every step of the way. We use our unrivalled knowledge to overcome deal-breaking obstacles and our market-leading influence to get them better deals. We always take it badly when a sale falls though!

But now the deal is done and by this stage there's little to do but congratulate both the seller and the buyer (and maybe even celebrate!).

We can offer the services of leading stocktaker Venners, which is part of Christie Group.

We like to keep in touch with all our clients and our business intelligence is always at your disposal – whenever you next feel disposed to selling (or buying) a business.

For more information on Christie + Co's comprehensive range of services, click through to our website:

www.christie.com

To see a selection of restaurants we've recently sold, go to:

www.christie.com/sold/restaurants

If you're interested in selling your business, call your local restaurant specialists today on one of the numbers listed overleaf.





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