



# WHAT'S THE BEST WAY TO INCREASE THE VALUE OF MY BUSINESS BEFORE SELLING OR RETIRING?

The best way to increase business value before selling or retiring is to start **exit strategy planning** at least 2–5 years ahead. This allows you to improve profitability, strengthen systems, and reduce risks that might scare off buyers. At BAAP, we help clients treat this as a **wealth-building project**, not just a sale.

## Why This Matters for Your Business as an Investment

Your business is your most important investment — often representing more than half of your net worth. Yet too many owners wait until they're "ready to sell" to start preparing. The result? Lower offers, longer negotiations, and lost opportunities. Proactive planning ensures your business is positioned as a valuable, low-risk, turnkey asset.

Think of it this way: if you owned a rental property, you wouldn't wait until the buyer is touring it to repaint the walls, fix the roof, and boost curb appeal. The same principle applies to your business.

## 4 Actionable Steps to Increase Business Value

### Maximize Recurring Revenue

Buyers pay more for predictable cash flow. Build contracts, memberships, or retainers that lock in revenue streams.

### Document Processes and Systems

Create an operations manual. The less dependent your business is on *you*, the higher its market value.

### Strengthen Your Management Team

Invest in leadership so the business runs smoothly without daily owner involvement.

### Clean Up Your Financials

Ensure tax returns, financial statements, and key metrics are accurate, timely, and professionally prepared. This builds buyer confidence and speeds due diligence.

## Hypothetical Client Story *(illustration only)*

Imagine a dental practice owner in Tampa preparing to retire in five years. In partnership with BAAP, they would shift about 30% of revenue to prepaid membership plans, bring in an operations manager, and adopt a cloud-based financial dashboard for real-time decision-making. By the time the practice hits the market, buyers would see a business that could operate independently — driving offers roughly 40% higher than comparable local practices.



## The BAAP Strategic Advantage

Unlike many CPAs who focus solely on tax compliance, BAAP combines **commercial banking insight, forward-looking advisory tools**, and **deep tax strategy expertise**. We know how buyers, lenders, and investors evaluate a business — and we prepare yours to shine in every category. As early adopters of the Practice Forward model, we've been guiding exit and succession strategies for over a decade.

## FAQs – Maximize Business Value Before You Sell or Retire

### Q: How can an advisory firm help me sell my business for more?

**A:** A proactive advisory firm like Business Advisory and Accounting Partners offers financial cleanup, tax strategy, and buyer-prep services that position your business as a premium, turnkey investment. This approach often results in higher offers and faster closings.

### Q: Is it worth investing in technology before selling?

**A:** Yes, upgrading systems can make your business more efficient and appealing to buyers. Cloud-based dashboards and automated processes show your business is modern and scalable.

### Q: What role do tax strategies play in business sales?

**A:** Tax planning can determine how much you actually keep from the sale. Structuring the deal and timing the transaction can save you tens of thousands—or more—in taxes.

### Q: Can I sell my business if it's still owner-dependent?

**A:** Yes, but you'll likely receive a lower offer. Building a management team and delegating daily operations can dramatically improve buyer interest and pricing.

### Q: How do I know if my business is ready for sale?

**A:** If you have documented processes, a capable management team, and clean, audited financials, you're in good shape. An advisory review with Business Advisory and Accounting Partners can confirm readiness.

### Q: Should I pay off all business debt before selling?

**A:** Not always. Strategic debt can show buyers the business has growth potential, but high-risk debt should be reduced or restructured before the sale.

### Q: How can recurring revenue increase my business value?

**A:** Recurring revenue shows stability and predictable cash flow, which buyers value highly. Contracts, subscriptions, or membership models often lead to higher sale prices.

### Q: What makes a business more valuable to buyers?

**A:** Predictable revenue, strong management, and clean financial records are top factors. Buyers pay more for businesses that run without daily owner involvement.

### Q: Can I change my entity type before selling my business?

**A:** Yes, but it's important to review the tax implications before making the switch. Business Advisory and Accounting Partners can help determine whether a change to an S-Corp, C-Corp, or LLC will reduce taxes and maximize sale value.

### Q: How far in advance should I plan my business exit?

**A:** It's best to start exit planning 2–5 years before you sell or retire. This gives you time to increase profitability, clean up financials, and position your business as a low-risk investment for buyers.

Waiting until you're "ready to sell" is the most expensive decision you can make. Treat this as a multi-year wealth-building project, and the payoff can be substantial.

**Get proactive about your future** — schedule your Advisory Fit Meeting today:

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