

Putting a value on your business



Understanding the value of your business is an essential starting point for any number of important life and business decisions, none more so than the decision to sell your business.

A professional valuation provides a rigorous and objective analysis of the company, and reveals operational strengths and weaknesses. Getting it right in the current economic climate has never been more critical. Knowledge and experience of your sector are central to this. There are a number of factors that contribute to producing a realistic selling price for a care business.

"I always prefer to meet business owners face to face," explains Ian Charlesworth, business valuer at Axis Partnership. "This gives me a better understanding of their needs, the company, and an appreciation for the hard work that has been put into that company by the owners.

"This approach ensures I also have a good understanding of how sensitive any sales process is going to be for them. To obtain a value, I take into account the management structure, stability of the company, how long it has been established, and how the revenue has been secured by the current owners. Of course, there are a number of other factors that affect value, which are discussed fully with potential clients."

Confidentiality is also of paramount importance for business owners who do not wish to disrupt staff and alert competitors to a possible sale. It is

often easier, therefore, and more reassuring, to hold valuation meetings at a neutral location away from the business premises.

Axis Partnership has been operating at the forefront of healthcare valuations and sales for 15 years, and manages a large number of care businesses for sale. Axis currently has seven care businesses under offer and at legal stages with proven buyers, due to complete by the end of October. The sector is extremely buoyant and the basic demographics of the UK – aging population, lower birth rates – suggest that the market for care providers will continue to grow.

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Making the decision to sell your care business will be one of the most important in your lifetime – akin to getting married and moving house. It is worth approaching a specialist business sales agent in your sector with a track record of success, and who will work with you to plan and personalise your exit strategy.

Paul and Eve Callan sold their domiciliary care business through Axis in April this year. "We were very proud of the business we had grown," Eve says, "but we had ambitions to retire to Malaysia and

pursue our other dreams." Eve is originally from Malaysia, and Paul – already a published author – looked forward to the writing opportunities that retirement to Asia would bring.

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"The timing had to suit us, though," Paul continues. "We had built up an enviable reputation and a 3-star Care Quality Commission rating for Colvin Nursing, and excellent quality of service was at the centre of this. Any disruption to our staff and clients would have been unacceptable."

Richard Haden-Scott, Axis Partnership's chairman, comments: "It is important that business owners give the instruction to sell when they feel comfortable. The process can be emotional for the seller, so we work closely with the individual to guide them to a stage where they feel committed to the sale, to letting go of their business, and to moving on with the next phase of their life, even if this takes years."

Now settled in Malaysia, Paul has recently had his second book published, and Eve continues to make a contribution to the care sector in her home country. ■

Robin Boxall-Hunt
Group director
Axis Partnership UK Limited