



John Kasapi
Founder, Principal Broker



7 STEPS TO MAXIMISING
YOUR SALON SALE

Step One: Be Buyer Ready

Only list your business, once you have the items listed below prepared.



Profit and Loss Financials (for the last 2 financial years and current year to end of last quarter).



Balance Sheet (for the last 2 financial years and current year to end of last quarter).



Tax Returns (for the last 2 financial years).



Computer Reports from your Point-of-Sale system (Shortcuts, Hairware, Gumnuts, Salon Potential).



Plant and Equipment list detailing all the items that are included in the sale.



Employee Details List (outline the names, position, pay rates commencement dates and Status of Employment e.g. full time casual).



Copy of the signed lease, including any amendments (if you bought the salon off someone else and there was a lease assigned to you).



Copies of any rental agreement/leases on computers, security systems, furniture, coffee machines that will need to be transferred over to the new owner.



Depreciation Schedule (last financial year is a list of the plant and equipment and the value that each item has right now – if not included in Tax Returns).



Website, Google Profile and social media account logins etc., that are currently being utilised.



Current Rent Receipt (detailing the rent payable at the moment of listing the business for sale).



Pictures of the salon. (iPhone or digital camera quality)..

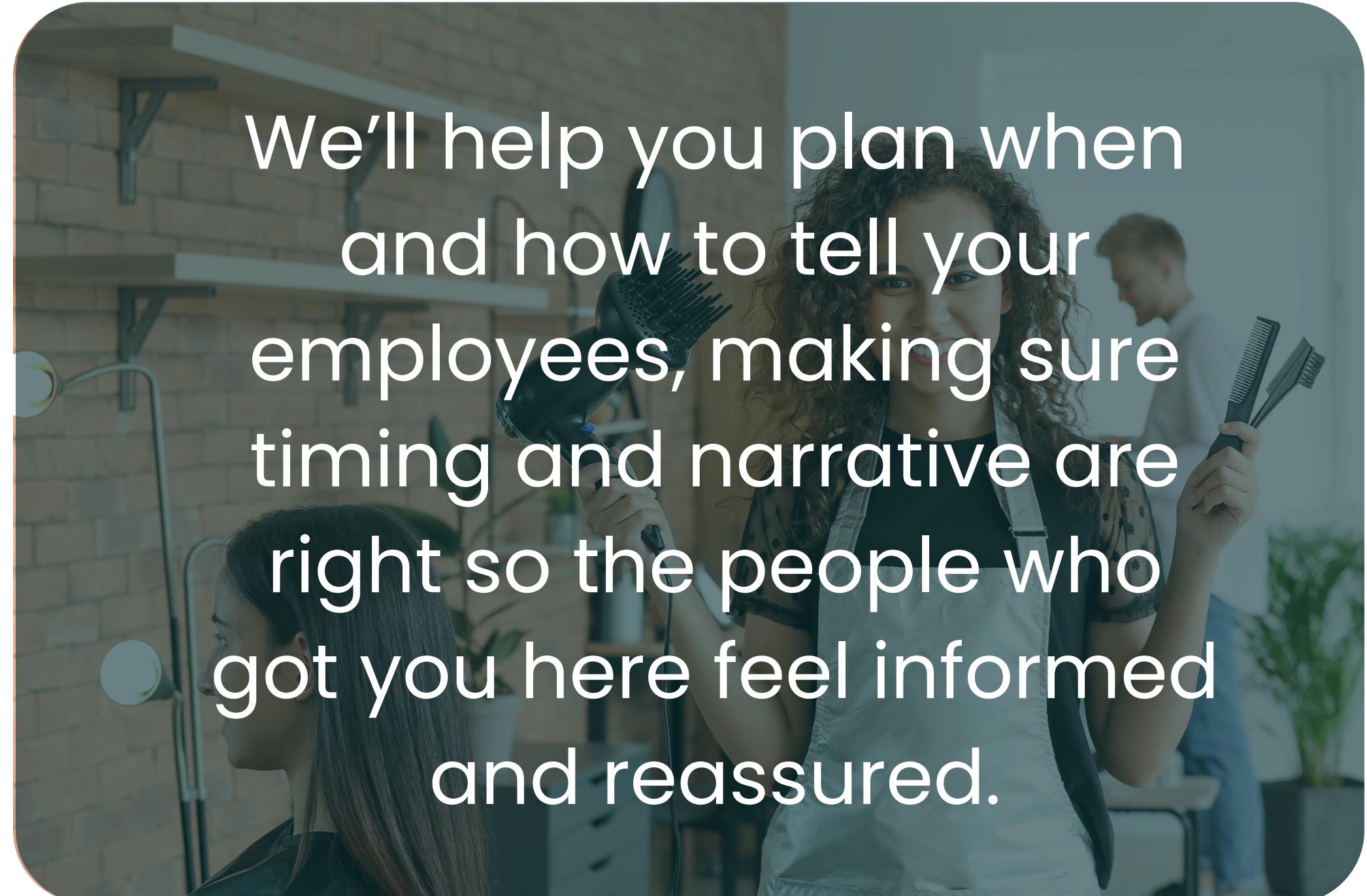
Step Two: Our Secret

They got you this far and have become 'part of the family' but letting the cat out of the bag too early can do more harm than good

The fact that you are selling your salon must remain strictly confidential. Your loyal staff and client base are your greatest assets.

Whilst Staff will have to be told at some point, this is carefully planned for when the timing is right.

Salon for Sale, has a salon industry-based Broker that has been in your position, we understand that keeping secrets does not necessarily give you 'good vibes'. We will ensure discretion is used, when advertising, for example avoid photos of your salon in advertising with the exact address.



We'll help you plan when and how to tell your employees, making sure timing and narrative are right so the people who got you here feel informed and reassured.

Step Three: Setting the Price

Our straight forward appraisal process ensures your business obtains top dollar without pricing you out of the market

Obviously, sellers want the highest price and buyers want the lowest price. As professional Business Brokers and Valuers, Salon for Sale, will ensure the maximum price is achieved for the seller, based on an accurate, formula guided, appraisal.

This is why we have the smallest variance, from a salon listing price to sale price than any other brokerage firm across Australia. We have established the benchmark on what the market will pay for a salon.

Appraisals are base upon four main areas of your business:



Step Four: Have a 'Solid' Lease

Ensure you check the following, with your lease, before you decide to sell:



Make sure your lease is up to date.



You have informed your landlord that you are selling.



Get a detailed summary of ALL the outgoings.



Get a current copy of the lease and any amended documents (deed of assignment from last owner to you or option letters that you have signed on taking up further options).



Ensure all these copies have been signed by both you and the landlord, meaning they are real and have been executed. If you are missing any of these items, then you must get this sorted before you sell as it can delay settlement excessively and can result in your contract falling over



If you are coming to the end of your lease (less than 18 months left), you must contact your landlord and see if there are additional options for yourself or a new owner. Get this in writing. If you can't get an option, it may impact on your sale. If you are in a shopping centre options are rarely given.



Get a current rent receipt from the landlord, or the managing agent, and ask for an outgoings receipt for the last 6 months to prove to the buyer what the rent is now.



Make sure that you are paying the right rent and have had all the reviews of your lease completed.

Step Five: Cash is not 'King'

Unrecorded takings can't be included, so we can't accurately value your business.

When it comes time to sell, cash isn't king if it never hits the books. Buyers and brokers can only value what's officially recorded, and it's illegal to hide takings anyway (insert eye roll).

If you're still accepting cash off the record, start putting every payment through your accounts now. That way your financials reflect the true performance of the business and you can justify a higher sale price.

Serious buyers want transparency, clean records and proof of profitability. The stronger your declared figures, the stronger your negotiating position. So if you're planning an exit, fix the books first, then sell.



Step Six: Managing Key Staff

Spread the client love around your staff, so your salon isn't dependent on one person.

In most salons there are key staff that run the business, for example you as the Owner, a manager or one Senior, that brings in most of the income.

If you are the business that is fine, as the new buyer will come in and take over your clientele. They will protect against you taking clientele through a restriction of trade, that cannot be broken. However, if there is one staff member that is key to the operation of the business, then this can be risky for the new owner and can impact on the sale price of your business. In some salons, the clients will follow the staff everywhere they work because they do a great job.

This will always be the case in this industry, and this is why, in the valuing of salons, the possibility of client loss is factored in because of the sale or a team member leaving. However, new staff and clientele often come with the new owner, so everything balances out. Ensure that when you are preparing to sell, that for the last few months/years you spread the work across as many staff as possible and try and get your clients to be happy with a couple of your team members doing their services, not just one.



Step Seven: Speak to the Specialists

Choose specialists who actually know salons, not cowboys guessing at your business.



Engaging an industry-based business broker is one of the smartest moves you can make when selling a salon. There are plenty of “brokers” out there who don’t actually understand the salon market; not just the financial side, but the emotional side too. A specialist knows how owners feel about staff, clients, and reputation, and can guide the process without blowing things up internally.

Industry brokers know where to advertise, how to position the business, what to say (and what not to say) during inspections, and when/what to tell staff. They’ve seen the common mistakes and know how to avoid them. When you add the right team, broker, lawyer, accountant, you get people who look at the business from the outside, negotiate without emotion, and protect you from liabilities, losses and extra grey hair.

In short: use professionals who actually know your industry.

The cowboys can cost you real money.

John Kasapi



Here's to making your salon exit the smooth,
successful transition you've been working for.

salon
forsale

phone: 0422 930 549
email: info@salonforsale.com.au
web: salonforsale.com.au