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Mergers & Acquisitions



MISTAKES
POTENTIAL SELLERS
SHOULD AVOID



M&A TRENDS

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7 mistakes potential sellers should avoid

For many pest control owners, selling the company they've spent years building will be one of the most significant financial decisions they'll ever make.

Yet many owners don't begin thinking about what buyers are looking for until they're ready to retire or actively consider a sale. By then, costly mistakes already may have reduced the value of their business.

The good news is that most of these issues can be addressed well before the sale. Whether you're planning to sell in one year or five, avoiding these common mistakes can help maximize your company's value.

1 **Waiting too long to prepare.**

One of the biggest mistakes owners make is waiting until they've lost motivation for their business or are ready to retire before planning for a sale.

Selling your business shouldn't be rushed or unplanned. Buyers want a stable, well-managed company with consistent financial performance. Planning ahead gives you time to improve operations,

FACT: Even if a sale is years away, understanding what buyers value today will help you make better decisions now — and maximize your options and your company's value when the time comes.

strengthen your financial position and prepare your business for the best possible outcome.

2 **Having poor financial records.**

Buyers expect accurate, consistent and organized financial records. Clean financial statements build confidence and help speed up the due diligence process. Investing in professional bookkeeping and accounting services before you sell often is money well spent.

3 **Losing key employees.**

Experienced and tenured managers, salespeople, office staff and technicians are all valuable assets. If key employees leave before the sale, buyers may see additional risk. Strong company culture, ongoing training and competitive compensation help retain employees and make your business more attractive.

4 **Being too dependent on the owners.**

Many successful pest control companies are built around the owners' relationships and daily involvement. While that dedication is admirable, buyers prefer businesses that can operate without an owner managing every detail.

Ask yourself: If I were away for several weeks, could my team successfully run the business without me? If not, strengthening your leadership team should be a priority before bringing your business to market.

5 **Not building recurring revenue.**

Recurring service agreements are one of the greatest strengths of the pest control industry. Companies with a high percentage of recurring customers generate predictable revenue, making them more attractive to buyers. Focusing on customer retention and long-term relationships can significantly increase your company's value.

6 **Waiting until revenue declines.**

Too many owners hold onto their businesses until performance begins to decline. Buyers are willing to pay more for companies that are growing and consistently performing well. Declining revenue raises concerns about future performance — and often leads to lower offers.

7 **Choosing the wrong advisor.**

Not every broker understands the pest control industry. Working with an advisor who has industry experience, valuation expertise and established relationships with qualified buyers can have a significant impact on both the sale process and the final purchase price.

Selling your pest control business is about more than finding a buyer. It's about protecting the value you've built, your employees, your customers and your legacy. Early planning, strong financial records, employee retention, recurring revenue and reduced owner dependence all contribute to a more valuable business. **PMP**

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