



# **HOW TO SELL YOUR ECOM BUSINESS**

**AND PLAN YOUR DREAM EXIT**



## Thank you for downloading this guide!

We hope this ebook helps you understand more about the journey towards securing the right exit from your business.

We understand that it can be overwhelming. Not just thinking about the process, but the thought of parting ways with the business you've nurtured from idea to empire.

A huge part of our job is to be there for you every step of the way, take the emotion out of it and act as your guide. Helping you avoid the pitfalls and set up the deal you deserve.

Across our team we're e-commerce brand builders, M&A experts, accountants, ex-Amazonians, ex-Aggregators and crucially we've sold and bought our own businesses.

We get it.

Whether you want to sell very soon or you need exit planning support - we've got your back.

As a friend of Ecom Brokers, we'd like to offer you a complimentary business consultation. Keep reading this guide to access the link ;)

To well-planned exits,

*Ben Leonard & Allison Walker*

Founders, Ecom Brokers  
[www.ecombrokers.co.uk](http://www.ecombrokers.co.uk)



Many e-commerce business owners have come to realize that a great way to generate life-changing wealth from their business is to sell it one day.

Buying and selling e-commerce businesses has become mainstream, to the point that there are now multiple ways to sell your e-commerce business. You could sell it directly, you could “flip” it with a flipper service, list it on a marketplace, or take it through a process to get it ready for an exit using a broker.

# WHY SHOULD YOU **SELL** YOUR ECOM BUSINESS?

Even if you feel like your ecom business is your baby and the thought of selling it is tough, there are several good reasons to consider selling:

**1**

You need the money to fund a new project that you're more excited about than your current business.

**2**

It's simply time to move on because you're no longer as committed to your business as you used to be. That's a clear indication that it is time to go because if you don't have the enthusiasm to push it forward, a plateau or decline is usually around the corner.

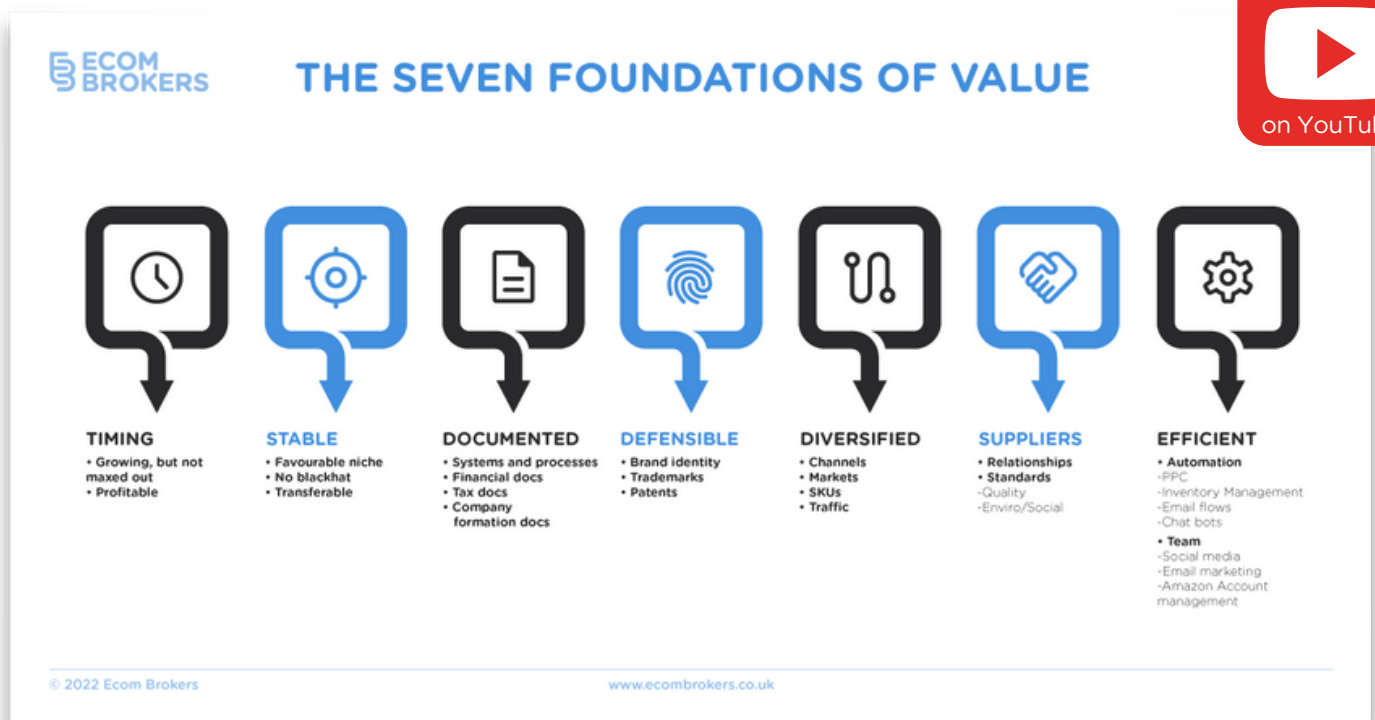
**3**

You realised the business could be worth a lot of money and you'd like to use or invest those funds in another life adventure.

# HOW TO MAKE YOUR BUSINESS **SELLABLE**

In order to sell your ecom business, it needs to be an attractive proposition for a buyer, and valuable enough to be worthwhile for you.

When building your e-commerce business to sell it, there are seven key aspects you need to consider. These are the [Seven Foundations of Value](#).



Check out the Seven Foundations of Value Playlist on YouTube [here](#) for an in-depth discussion of each of the seven aspects!

# THE SEVEN FOUNDATIONS OF VALUE

## Timing

1

Timing-wise, your business should be growing, but not maxed out. A buyer wants to experience more growth for themselves. Leave some untapped opportunities for them, such as expanding to new international territories.

## Stability

2

Refers to stable, low-risk attributes, such as a favourable niche (e.g. baby, home, garden, sports), transferable systems, and zero black-hat strategies. Is your business stable, or is it still a bit shaky?

## Documentation

3

Refers to meticulous records of SOPs, financial records, accountancy reports, tax filings, IP certifications, etc. Is your documentation in good order? If not, it needs to be!

## Defensibility

4

Means reducing the risk associated with 'just another ecom business.' It refers to building a legitimate brand, protected by intellectual property (trademarks and patents). It means building a legion of raving fans on social media who are subscribed to your newsletter. Do you have a brand? Or are you just selling "stuff?"

# THE SEVEN FOUNDATIONS OF VALUE

## Diversification

5 Reduces the risk for a buyer and makes the business a more attractive proposition. For example, having an omnichannel strategy across different marketplaces, social channels, and traffic sources. Shifting reliance away from just one or two SKUs can also help. What happens if 50% of your sales are from one product, and it gets suspended?

## Suppliers

6 They are a huge component. When an organization buys your brand, they are also buying the relationship with your supplier. Does your supplier produce orders on time and have high standards of quality? Do they meet the most stringent safety, social, and environmental standards?

## Efficiency

7 This is critical for business. The more efficient your business is, the more attractive and valuable it is to a potential buyer. You can make your business more efficient by automating certain tasks (e.g. PPC, inventory management, email flows, and reviews) and outsourcing day-to-day tasks such as customer service.

# HOW TO MAKE YOUR BUSINESS VALUABLE

The Value Pyramid represents the five components of most importance to a potential buyer when they look at your business.

Here at Ecom Brokers, we created [The Value Pyramid](#) to represent the way a potential buyer looks at your business.



Check out our episode about The Value Pyramid on YouTube [here](#).



A business needs at least three of these layers to be in good standing/sellable. But to be valuable, the strongest layers, which will have the biggest impact, are at the bottom – [growth](#) and [brand](#).

How is each of these layers performing for your business?

Is everything well-documented, transferable, low-risk, growing, and supported by a strong brand identity?

**Here at Ecom Brokers, we are big advocates of building a real brand and having a strong brand identity.**

Check out these amazing resources we've prepared for you:



[Click to watch](#)



**Building a Beast Brand with Ben Leonard**  
On this episode of Link Up Leaders, Francois and Lisa sit down with Ben Leonard, Founder of Beast Gear and CEO of Ecom Brokers to talk about the REAL method...

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# **HOW TO SELL YOUR ECOM BUSINESS**

**WORKING WITH A BROKER**

'Amazon exits' have become a huge topic in the e-commerce space. It's great that the topic is being discussed, but it is overwhelming for sellers trying to decide what to do and which of the many options they should choose.

Selling your business is a major decision that can have far-reaching consequences. This is where [working with a specialised broker can help](#). They should ideally have experience on all sides of the equation – owning and running e-commerce businesses, selling e-commerce businesses, e-commerce accounting, and deal brokering.

## The Key Benefits of Working With a Broker



### Expert Valuation

Full and thorough analysis of the financials, together with a deep understanding of the business operations, market, history, and opportunities will allow the broker to properly value the business and identify the opportunities to maximize the value before taking it to market.



### Expert Positioning

Brokers know how to professionally present your ecom business to the right buyers. They understand how to pitch opportunities for growth, how to spin mishaps the right way, and how to package and market you or business. After going through a thorough process, the business will be ready to go with a bow on top, alongside all the appropriate data and supporting analysis.



### Expert Guidance

Selling your business can be an emotional journey. But it is vital to separate emotion from decisions. A good broker will manage not only your expectations but also your emotions. They will guide you through the process at every step and ensure you are fully informed so you can make the decision that is best for you.

# Choosing A Broker

The best brokers are more than just “middlemen” who connect buyers and sellers. Rather, they actively work to position and prepare your company for the best possible valuation, deal, and exit.

- ✓ A good broker will vet your business, bring the right buyers to the table, and arrange M&A legal representation for the deal negotiation.
- ✓ A good broker builds a relationship with you and is not in a hurry. You’ve built your business over several years. Why rush the most important part? The best brokers take their time to understand you, the business, and the market, and get the strategy right.
- ✓ A good broker helps you organise your business so that it is as attractive as possible to a buyer.
- ✓ A good broker has lived experience on all sides — as an e-commerce operator, M&A and accountancy expert, and even as a buyer.
- ✓ A good broker should do the work rather than simply “list” the business. They should crunch the numbers to produce an accurate valuation, conduct research to identify the right buyers, and actively market the business to them.

Click the link below to get started. No obligation, no hard sell. Just solid, professional advice.

[\*\*Book Your Free Business Consultation\*\*](#)

# The Process of Working With a Broker

Every business owner has different goals, values, and aspirations. Every business has a different niche, revenue, profit, history, and potential.

What follows, therefore, is a very high-level and general summary. A good broker will tailor their approach to you.

Beware of any service that treats your business like a number.

## 1 Valuation

The broker should sign an NDA before they request access to your data. This will generally mean read-only access to Seller Central, Shopify, or any other marketplaces you use to generate revenue. They might also require access to your accounting software like Xero or Quickbooks, and Amazon accounting tools like Sellerboard or Seller Legend.

Using the financial data, combined with an interview to understand the specifics of your business — products, IP, fulfilment, marketing, industry, etc. — and a deeper analysis of your niche, the broker can then value your business.

## 2 Due Diligence and Preparation

In preparation for going to market, the broker should support you in getting the business ready for potential buyers' due diligence processes. This involves ensuring that you have all the appropriate data that they are likely to request, in the right format, and suitably packaged.

Meanwhile, the broker should do their homework to identify the right buyers!

# The Process of Working With a Broker

3

## Going to Market

The broker will prepare a sales prospectus. This is essentially a brochure which shows how awesome your business is and highlights why it'd be a great acquisition.

4

## LOIs, Negotiation, and Closing

Ideally, you will have several interested buyers who will submit a “Letter of Intent” — a non-binding letter that essentially states: “we want to buy your business; here is our anticipated offer subject to due diligence.”

The broker should support you in assessing the LOIs and potentially at this point connect you with legal counsel (though this may come later). After an LOI is signed, you enter a period (typically 30-45 days) of exclusivity whereby you agree not to sell the business to anyone else while the buyer conducts their due diligence.

At the end of the exclusivity period, all being well, the buyer will submit a formal offer to purchase the business. Together with the broker and your legal counsel, the deal will be hashed out to ensure it reflects the true value of the business; that it is a fair and reasonable offer and is suitably worded to protect you (particularly with regards to any pay-out!).

Then the deal is signed, money is wired, and your business is sold!

## Final Word



Selling your e-commerce business is a big decision. It's really important that you first determine whether this is truly the right step for you. Then, when the time is right for you, use the information in this guide to help you prepare your store, value your store - and negotiate a deal that's absolutely right for you.

# Why Work With Ecom Brokers?



**makes selling your e-commerce business simple, hassle-free, fair and clear.**

Ecom Brokers are experts who will work with you to position for the best outcome.

Founded by Ben Leonard and Allison Walker, they've been there and done it — on all sides — seller, buyer, broker, and accountant!



## We Value Your Business

With our experience on all sides and our deep knowledge of your accounts, we'll get the right valuation for your business.



## We Find You A Buyer

Through our network of vetted buyers, we find the right buyer to look after your business.



## We Get The Deal Done

With our selling system and trusted M&A attorney and solicitor partners, we'll get the deal over the line.

Since you've downloaded this guide, you're entitled to a free business consultation. Click the link below to reserve your spot.

[\*\*Book Your Free Business Consultation\*\*](#)

# More resources for you to plan your dream exit!



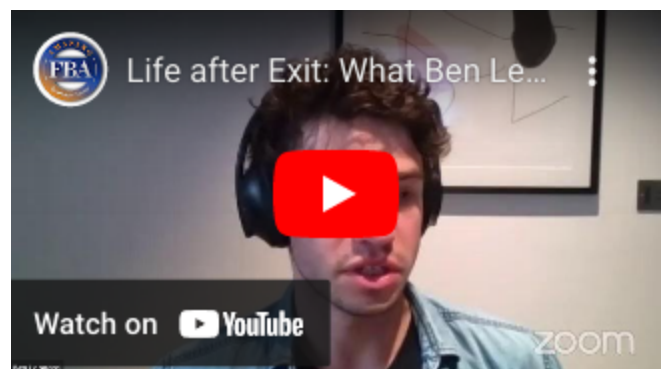
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If you have any questions, Ben and the entire **Ecom Brokers** team are happy to answer you!

Just connect with us through your chosen social media platform below! Don't forget to



to get access to actionable tips that'll help you plan your dream exit from your business!





# Connect with us on Social Media



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WE HOPE YOU'VE LEARNED A LOT FROM THIS GUIDE.

When you're ready for us to work with you how to maximise your business value and help you sell it for the best price, click the link below to get started.

[\*\*Book Your Free Business Consultation\*\*](#)