



SUCCESSION PLANNING 101

PREPARE
FOR THE
SALE



- Clarify succession and exit goals (timeline, retirement income needs, employee retention, and legacy wishes).
- Engage professional advisors: business valuers (Venture Connect), accountants, and legal counsel familiar with BC and rural small businesses.
- Decide on asset sale or share sale, as this affects taxes and legal responsibilities; consult with professionals to maximize after-tax proceeds.

FINANCIAL
PREPARATION



- Organize all accounting, financial statements, contracts, and tax filings for the past 3–5 years.
- Complete a full inventory of physical assets, fixtures, and inventory; document maintenance and equipment service records.
- Audit internal operations, including leases, supplier and customer lists, HR agreements, and licenses to ensure the business is ready for buyer due diligence.

BUSINESS
VALUATION AND
AUDIT



- Commission a third-party business valuation to determine fair market value, considering financial health, cash flow, assets, and goodwill. (Venture Connect [Venture Connect](https://www.businessbrokerbc.ca/small-business-appraisals-vancouver-bc), <https://www.businessbrokerbc.ca/small-business-appraisals-vancouver-bc>)
- Understand what drives or detracts from value: strong recurring customer base, transferable contracts, well-documented processes, and potential for growth.
- Address weak points (debt, outdated systems, owner dependency) before sale to help maximize price and attract serious buyers.

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HOW TO MARKET



- List your business on specialized local and provincial platforms such as Venture Connect (BC’s rural-focused business transfer service).
- Use a commercial Realtor experienced with small businesses in Sunshine Coast and rural BC—they can reach local and out-of-area buyers.
- Prepare compelling online listings for Business Sell Canada, Sunshine Coast Chamber, Sechelt Downtown and bulletin boards.
- Create a targeted social media campaign using Facebook, Instagram, and LinkedIn with business-focused posts highlighting community impact and potential.
- Network with other business owners, professional associations, and existing customers who may know would-be buyers. (Staff, newcomers to Sechelt)

LOCAL SUPPORT



- Use the free online business listing and consultation services from SC Community Futures and your Sunshine Coast Chamber of Commerce.

How to assess business value in rural communities like Sechelt BC

Assessing business value in rural communities like Sechelt, BC involves applying established valuation methods but also accounting for local market factors such as a smaller buyer pool and unique community conditions. The most common approaches are the income, asset-based, and market comparison methods.

Business Valuation Methods

Income-Based Approach: Values the business based on its future earning potential. This may include the Discounted Cash Flow (DCF) method or multiples of EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization), typically ranging from 3–6 times EBITDA for small businesses.

Asset-Based Approach: Calculates value by totaling assets (equipment, inventory, real estate) and subtracting liabilities—best for asset-heavy or less profitable businesses.

Market-Based Approach: Compares your business to recent local sales of similar businesses, adjusting for differences in size, performance, and location. Data for rural areas may be limited, making this method more challenging.

Key Steps in Valuing a Rural Business

- Define the purpose of the valuation (sale, financing, succession, etc.) and gather documents: financial statements, asset lists, inventory, customer data, and leases.
- Analyze historic performance and realistic forecasting of future earnings, with attention to seasonal trends and economic realities in Sechelt.
- Adjust standard calculations to reflect rural factors: smaller market, reliance on local reputation, the potential impact of owner departure, and limited local buyers.
- Consider intangible value—loyal customer base, brand, community standing—and how easily these can be transferred to a new owner.

Professional Support and Best Practices

- Engage a BC CPA or qualified business valuator who understands rural markets and can document the rationale for selected multiples or valuation assumptions.
- Review local listings and recent completed sales in the Sunshine Coast for benchmarks, but adjust for distinctive attributes of the Sechelt business community.
- Present a well-organized valuation file for prospective buyers and financial institutions to build credibility during the sale process.

Using these approaches and tailoring them for Sechelt's rural context results in an accurate—and defensible—business value estimate.

Helpful Links

<https://www2.gov.bc.ca/gov/content/employment-business/economic-development/support-business-community/business-succession>

https://ventureconnect.ca/images/Pathway_to_a_Successful_Business_Sale.pdf

<https://www.businesssellcanada.com/indexlrg.htm>

<https://www.bdc.ca/en/articles-tools/change-ownership/sell-business/how-sell-business>

<https://www.bccpa.ca/protecting-the-public/cpabc-member-firm-directories/>

**Contact us with any questions:
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