



## 3 Questions to Ask Before Selling Your Business

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Integrating Godly Values Into the Sale Process



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Good stewardship. It is a common Christian phrase, but applied as a Christian business owner, it takes profound commitment to integrate values and remain centered on Christ. There are countless hours and prayers invested in your company as you have worked to steward what God entrusted to you.

But what happens when you decide to sell your business?

Stewardship does not have to end there. In fact, the business sale process represents a significant opportunity to reinforce values and make a Kingdom impact. This major life change can deeply impact your finances, your family, and your faith, so you need a stewardship mindset to navigate this change successfully. Take the initiative to prepare through these 3 questions:

1. How do I know I am ready to sell?
2. How can my business sale have eternal impact?
3. How can I steward my family in this new season?

**The answers to these questions will provide a guiding set of principles you can return to as you face the challenges and changes a business sale brings.**

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## Question #1: How do I know I am ready to sell?

Retirement or lifestyle changes are common reasons to sell, but to determine your own reasons requires an eternal perspective. Think back to the early stages of your business; you did not know exactly how it would grow or change, but you felt led by God's calling. The same should be true in this next season. You will be left unfulfilled without a plan for life after the sale, and it needs to be in pursuit of God's call.

Consider what pursuing God's purpose looks like in the road ahead:

- What passions has He brought to your heart? What new opportunities have arisen?
- What is the impact you want to leave on the world?
- What does a fulfilled life look like in retirement or your next season?
- How are you reinvesting your talent in others?

It may require some brutal honesty with yourself to evaluate your mindset towards work and money:

- Are you at a place where you could walk away from the business and be satisfied?
- How are you living with the mindset that God owns it all?
- At what point have you made enough money?

**Be a faithful steward of the original call He gave you and have open eyes to see what it looks like in this new season.**



## Question #2: How can my business sale have eternal impact?

Everyone wants to do something that will have lasting impact, and a business sale is one of those key moments you will have to steward the resources God gave you. Through generosity and your own Christian witness, you can leave a lasting legacy.

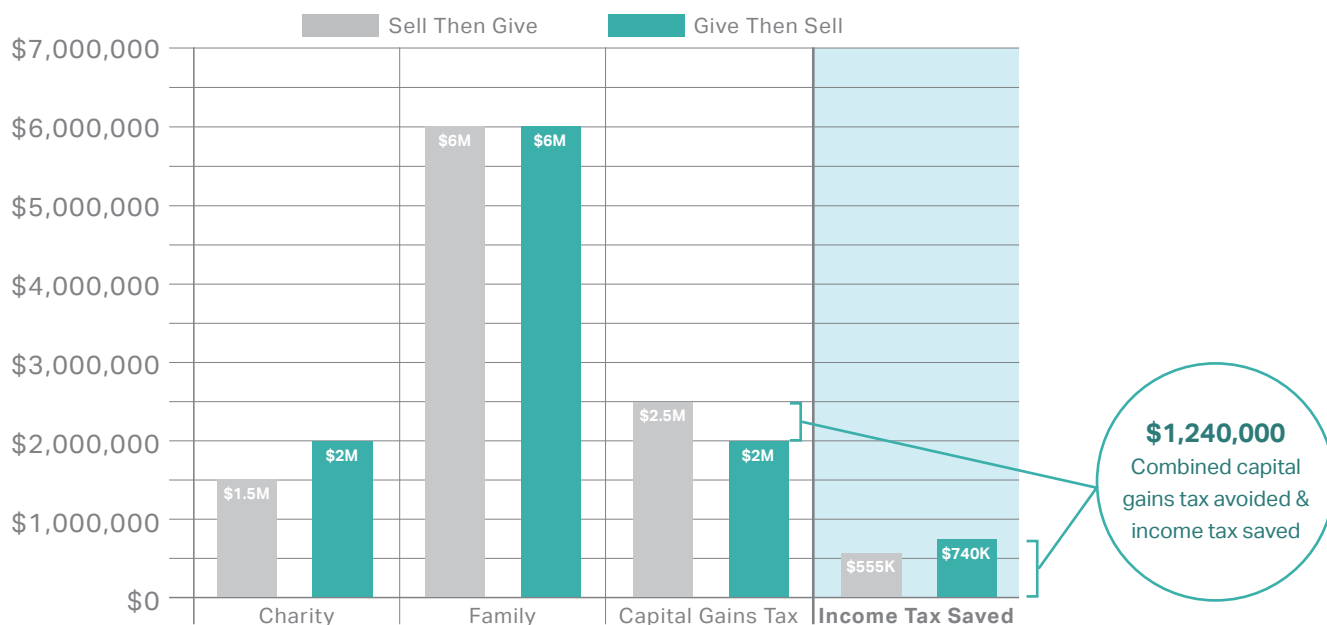
### Generosity

Selling a business means you will have a significant liquidity event, which often leads to major tax liability. The standard scenario then is most business owners will send the largest check they've ever written to the government and divide the rest among family, investments, and maybe charity if there is room.

However, this does not have to be the standard. One of the key solutions to reducing tax liability is also the tool for eternal impact: generosity.

Through a charitable giving plan, such as giving business interest prior to the sale, less money goes to taxes so more can go to the investments that truly matter — your family and your Kingdom causes.

Consider the following example that shows the impact if a family sold their business for \$10 million, and they made a 20% gift either before or after the sale.



This scenario assumes fair market value of \$10,000,000, ordinary income tax rate of 37%, capital gains tax rate of 25%, and basis of \$0.

	Capital Gains Tax	Charity	Income Taxes Saved
<b>Sell then Give 20%</b>	\$2,500,000	\$1,500,000	\$555,000
<b>Give 20% then Sell</b>	\$2,000,000	\$2,000,000	\$740,000
	<b>\$500,000 LESS</b>	<b>\$500,000 MORE</b>	<b>\$185,000 MORE</b>



**Suddenly, your sale has moved beyond a liquidity event into a Kingdom changing event. It's one of those rare opportunities you have to make a resounding difference in eternity.**

### Christian Witness

The complex decisions, paperwork, and players in the business sale process can quickly add up. However, when viewed through the lens of stewardship, all these items represent the opportunity to live out a godly testimony. Consider how your values could affect these scenarios:

#### Employees

- What happens to employees after the sale?
- How can you protect them against unreasonable termination or pay changes?
- Are there levels of influence you can or want to hold in the company after the sale?
- Talk with your advisor about ways to implement protective strategies.

#### Buyers

- Will the buyer honor the established values of the company? How would a strategic buyer versus a private equity firm impact this?
- In a scenario with multiple interested parties, do you have a strategy to choose between buyers that keeps an eternal perspective? Consider the character of individuals and their impact on the company.

**When you keep a God-centered perspective, you will be empowered to make faithful stewardship choices with the greatest eternal gain.**

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### Question #3: How can I steward my family in this new season?

While most know a business sale is a major life change, when the change actually occurs, too many are left unprepared. Going from years of a standard income to an exponential increase of wealth can damage a family if there is not intentional preparation. The issues stem far deeper than finances, so the need for honest communication, a strategic plan, and vision to pass on values are essential to care for your family.

**Use these questions to evaluate your preparedness:**

#### Communication

- How often do you talk about money with your family?
- Do you have communication processes that allow your children to be involved and feel comfortable to ask questions?
- Have you discussed the transition together? If not, how can you do this in a way to honor your family and their opinions?



## Strategic Plan

- Personally, how will you handle wealth? How do you live out a view of God's ownership?
- Are your children prepared to handle an inheritance? How well do they manage finances? Are they givers of their income? Do they have a work ethic? Will an inheritance contribute to thriving individuals or cause harm?

## Values

- What are the causes you love and can support through your sale?
- How can your family find a common passion together? How can this grow into a long-term vision?

The reminder in all this is families are never perfect. There may be major wounds in your family, children who are struggling, or other unspoken pain. Only God can heal those divides, so the larger question is can you entrust your family over to His care? You don't always have to understand. God's call is to believe and to walk in obedience.

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## What happens next?

From M&A attorneys to EBITDA calculations to business brokers, the business sale journey is a complex process. However, through it all, the greatest success and lasting peace you desire ultimately will be found by keeping God first each step of the way. The challenge is finding what this looks like in this new season and finding the people who continually point you back to this.

Don't miss this opportunity to identify God's leading. What is the key question or challenge God has laid on your heart? Business sales may be full of numbers and transactions, but they are also full of incredible, joyous, God-given potential to leave a legacy and to make a difference in eternity. Whether through your generosity or your testimony to your family, the opportunity is yours to take.

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## About Us

The Signatry is a Christian foundation who partners with families, advisors, and ministries across the world to make an eternal difference through generosity. We equip families with practical wisdom to think through the legacy they want to leave and to find the generosity tools to support this vision. Established in 2000 and having facilitated over \$3 billion to ministries across the world, we are passionate advocates for the transformation experiencing the generosity of God brings.

## Have more questions? Need some help getting started?

Connect with us at [www.thesignatry.com](http://www.thesignatry.com) | [info@thesignatry.com](mailto:info@thesignatry.com) | 913.310.0279

