Nearly every founder or executive considers selling their company at one point or another. Before embarking on the complex process, it is crucial for the company leaders – especially within the ever-evolving tech community – to ensure their strategy encompasses all aspects of a sale, from understanding the environment to being accurate with pricing expectations.

In advance of the annual FOLEYTech Summit held on October 1, we are releasing five tips for a successful exit. See below for tip number two and check back here for more tips leading up to FOLEYTech.

2. Stage Your Company – and Yourself

You don’t sell a house without washing the windows and thinning out the closets. Likewise, your company should be orderly and tidy before you show it to prospective buyers. Building and running a company is hectic and time-consuming. A lot of seemingly small details can get lost in the noise generated by a growing company, but the time to address those details is before any diligence begins.

- Financial cards must be current and audited to ensure that all transactions have been recorded correctly and that standard Generally Accepted Accounting Principles (GAAP) have been followed.

- Develop and verify all documents regarding the onboarding of employees, including at-will work agreements; prior-inventions intellectual property contracts; confidentiality and non-compete agreements; and equity, options and vesting agreements. These documents from all relevant employees should be in good order prior to starting the due diligence process. Combing through files and fixing any issues before such a process begins is far easier than doing it in the heat of negotiations, or worse, as diligence requests pour in.

- Founders should ensure their own interests are well protected in company vesting and equity contracts. This includes locking down elements like double-trigger acceleration vesting, as well as change-of-control incentives. Double-check personal and estate planning issues. The tighter your ship appears, the more comfortable potential acquirers – and their lawyers – will be in bidding for it.

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