



Is Your Website Worth Selling?



I recently had a conversation with a client that was considering selling her business, and her website along with it. She had asked if i could help her determine the value of the website. It got me thinking about the best way to do this and I decided I would share with you what i came up with.

For the purposes of this blog, we need to separate the valuation of the company, including physical store, assets and inventory from the website itself. These things combined will obviously throw off the valuation. We will just focus on the website, as if it were a stand alone entity.

Features and Functionality

If your website was built in the last few years, you can probably expect to make your money back on how much you spent to get it built in the first place. Also, keep in mind the amount of hours *you personally* put in, to help it get developed. The brainstorming, communication and testing. This is also worth something on top of what you actually paid your developer for.

Content

A basic brochure site, that has a *Home*, *About Us* and a *Contact* page isn't really worth much. However, if you had 1,000 blog posts, this could be worth something. This is content that will drive traffic and encourage users spend a little bit of time on your site. A potential buyer would have to reinvest hundreds of hours to replicate this. You may have saved them a bit of

time.

Traffic

There are too many factors to list here and we will cover this in another blog post following this one. For simplicity, we will just focus on hits a day. Most small businesses get very little traffic (less than 100 a day). If this is you, then there is probably no value in this area. You have to be in the thousands before you can start to add to your valuation.

Brand

Brand recognition is huge and can play a big factor in your valuation. This is much harder to place a value on, as it might also pertain to factors outside of your website. We will focus more on the actual visual appeal of the website itself. If you spent the money to get your website professionally designed and it is contemporary, then there might be value. If you bought a generic theme, or had your brother slap one together for you, probably not. Take an honest, hard look at it from an outsiders perspective and determine if it is visually appealing. A lot of potential buyers will focus more on this than anything else. You can have a well built site full of features, but if it's ugly, it will be dismissed.

Search Engine Optimization (SEO)

Apart from the actual traffic to your site, does your site rank within the first page of any of your primary keywords? SEO is a whole other beast and is covered in other blogs on this site. However, if you are nowhere to be found on Google, unless someone types in your name directly, there is no value here.

Sales

Does your site actually make money on its own with subscriptions, product sales or downloads? If it does, then you have to determine how much it is making on average per month and factor that into your valuation.

There's no hard formula for determining how much your website is worth. There are some websites out there that you can type in your URL and it will spit out a number; I don't really recommend these. They usually base it on Pagerank; an outdated method. Basically, you have to be able to determine if a potential buyer is any further ahead by buying your website, than just running off a building it from scratch.