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January 2018 - In This Issue:

NUMBERS 56 OF 66 OBSTACLES TO A SUCCESSFUL BUSINESS SALE

INDUSTRY KNOWLEDGE

2017, 2018...MOVING FORWARD

WHAT IS MY BUSINESS WORTH

2017, 2018... MOVING FORWARD

It's a new year - for each of us as individuals and businesses! What will or might be different in 2018 than it was in 2017? A few thoughts on things that will probably impact businesses:

The recently passed Tax Law has lowered Federal tax rates for businesses. I can't imagine why that is anything except good.

Interest rates continue to be low compared to where they have historically been - a good thing for businesses.

Consumer confidence - has been "decent"; will it continue, and what could cause a decline and reduce spending and hurt businesses.

Advances in technology will continue to impact what we do and how we do it. People - finding qualified employees will continue to be a challenge.

SYNOPSIS OF NUMBERS 55 - 66 OF 66 OBSTACLES TO A SUCCESSFUL BUSINESS SALE

57) Employee/Labor Problems

Do your best to try to resolve any employee or labor problems before selling the business. If any unresolved issues remain, disclose them upfront so there are no surprises in the due diligence phase.

58) Pension Plans and other Post-Employment Issues

There can be complex legal issues associated with terminating or transferring employee benefit plans. Get your attorney involved early and be prepared to intelligently discuss resolution options. Disclose the existence of employee benefit plans very early in the sale process.

59) Changes in Competitive Threats or Business Environment

For example, Blockbuster caused the closing of many family-owned video stores. Then Redbox and Netflix were the primary reasons for Blockbuster's bankruptcy. Staples, OfficeMax and Office Depot resulted in the demise of many locally-owned office supply stores. Always be aware of developments in your industry.

60) Lack of Chemistry Between Buyer and Seller

Good chemistry with the buyer can be a significant factor in achieving success during negotiations. On the other hand, poor chemistry can be a significant obstacle to successful negotiations.

61) Lack of Barriers to Entry

If the barriers to entry are very low, and the advantages of buying an established firm are not overwhelming, buyers may opt to start a business on their own. It's a good idea to be prepared for the buyer question, "What are the barriers to entry for this type of business?"

62) Problematic Vendor Relationships

In addition to acquiring your customers, buyers are also acquiring your vendor relationships. Too much concentration/reliance with one vendor can be as bad as customer concentration issues. Prior to putting your business on the market, try to resolve as many vendor problems as possible.

63) Accounts Receivable Collections Issues

Untimely collections of accounts receivable requires a higher

Businesses must be on the lookout for ways to do things better, more cost-effectively, more efficiently, to be competitive. Increasingly it's a Global Economy - buying and selling most things - goods and services - will more than likely have some international influence. What challenges might there be -

- Weather related like we've seen from hurricanes
- Dealing with terrorist threats and actions
- The drug issue - overdoses and deaths
- Most important - what might we see that we couldn't predict?

How will we deal with the challenges? It's not possible to plan for catastrophes. Reserves are good, but can't cover everything. Adjusting to survive is a necessity.

Planning is good - the value of the plan is what is learned during the process. Awareness of what's going on or could happen is essential, and reacting as appropriate will not only allow our businesses to survive but to thrive.

Our wish for you and yours and your business is that 2018 is your best year!

WHAT IS MY BUSINESS WORTH

It will cost you absolutely nothing and there is no obligation in giving us a call or an email to request a simple valuation of your business. Relying on a professional that understands your

investment in working capital, creating another financing obstacle for buyers. Unreliable collection of accounts receivable and bad debts create a high risk factor in buyers' minds. A commitment to improving timely accounts receivable collections makes good sense at all times, not just when considering a sale of your business.

64) Undisclosed Liabilities and Debts

The due diligence process will almost always uncover any "skeletons in the closet." Negative surprises discovered in due diligence are one of the primary deal-killers. All liabilities and debts should be disclosed early on in the sale process.

65) Poor Location

If your location has a negative impact on your business, or on the perception of your business, consider moving it prior to making the decision to sell.

66) Sellers' Unwillingness to Stay for a Transition Period

In most instances buyers expect sellers to work with them post-closing to provide whatever training may be necessary and to help provide a smooth transition for the new owner. Depending on the circumstances, the time frame can vary considerably. It's important to be flexible and try to understand the buyer's needs.

INDUSTRY KNOWLEDGE & ACCESS TO BUYERS NATIONWIDE

Our presence as a Professional Business Broker is extended nationally as a result of being associated with associates located nationwide. We also bring decades of experience and functional expertise in all the popular market segments as a result. Nothing takes the place or value in that of experience.



We partner with our clients to deliver solutions that help solve their most complicated needs prior to, during, and at the conclusion of the selling process. Our services are designed specifically to help small/medium size businesses and at a small business price. We go beyond the norm to develop new insights, prepare, market and drive results in the sale, thus insuring you receive the most value at closing. [Learn More](#)

Next Issue

How to Start Overcoming Obstacles to a Successful Business Sale

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industry is important. It is also wise to work with someone who is aware of current trends; and that is working with both buyers and sellers daily. This approach insures you plan for and receive the maximum return on the transfer of your business.



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