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November 2016 - In This Issue:

CAN YOU AFFORD TO SELL YOUR BUSINESS

WHAT IS MY BUSINESS WORTH

TRUE LEADERSHIP

INDUSTRY KNOWLEDGE

TRUE LEADERSHIP

R.I.P. Arnold Palmer

Golfer Arnold Palmer passed away recently. He led an interesting life, accomplished a great deal on the golf courses and in business, and from what has been said and written, was liked, respected, and always treated everyone as special.

In 2008 *Golf Digest* magazine published Arnold's 10 Rules for Good Golf Etiquette. Without the explanations in the article, they are:

1. Don't be the slowest player
2. Keep your temper under control
3. Respect other people's time
4. Repair the ground you play on
5. Be a silent partner
6. Make your golf cart 'invisible'
7. Always look your best
8. Turn off the cell phone
9. Lend a hand when you can
10. Learn the little things (etiquette)

CAN YOU AFFORD TO SELL YOUR BUSINESS

One of the primary reasons business owners sell is to enter the retirement phase of their lives. Especially when that is your motivation, you need to determine if you can afford to sell the business.

If you don't try to ascertain affordability on the front-end and put your business on the market without that information, you may be negatively surprised and have to back out of an agreement imminent to closing. That can be emotionally painful while also creating potential legal issues. In addition, if a confidentiality breach occurs as a result of such a scenario, you run the risk of damaging future salability of your business.

Obtain a realistic estimate of the value of the business

The first step to determining if you can afford to sell a business is to obtain a realistic estimate of the current fair-market value. You should seek out a business broker or advisor that is interested in developing a long-term relationship with you, the prospective seller. Finding a professional advisor with business exit planning experience is also recommended.

Estimate your future income

Although it is not unusual for the company to be a business owner's largest asset, there are usually other types of income and assets that should be taken into account when planning for retirement. These may include spousal income, Social Security income, other retirement income and plans, IRAs, annuities, other types of investment securities and savings, real estate holdings, life insurance cash values, etc. In addition to the net proceeds from a business sale, those other assets and income should also be factored into the retirement calculations.

Estimate the net proceeds of a business sale after taxes and debt repayment

So what does golf have to do with Business and why is this in a Business Newsletter? Perhaps it has a lot to do with Business! Please take a look at each of the ten and imagine how they might apply to the business environment. I believe the sentiment expressed above on golf rules applies to how we as Business Owners and/or Business Executives or employees act. It's about how we present ourselves and deal with Co-workers, Customers, Vendors, Employees, and everyone else we come in contact with. I know I can always do better and do try, but it's good to occasionally see a reminder. Just a "heads up".

INDUSTRY KNOWLEDGE & ACCESS TO BUYERS NATIONWIDE

Our presence as a Professional Business Broker is extended nationally as a result of being an affiliate of

[BHarmony, LLC](#).

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](#)

In the previous sentence, note the phrase "net proceeds" from the business sale. There will be tax implications of selling your business, and in many instances they are very significant. In addition, out of the gross proceeds of a sale, you may have to pay off outstanding liabilities of the business, which can include accounts payable, working capital loans and other types of loans for items such as equipment, automobiles, real estate, etc. that were carried on the company's books. The selling price of a business is often far more than the net proceeds ultimately retained by the seller.

Consider your post-exit lifestyle

The type of lifestyle you want to live in retirement is also a major consideration. If you want to travel around the world or maintain a second home in Florida, you need to determine the affordability. Depending on individual circumstances, lifestyle and expectations, some may need \$3,000/month to retire comfortably, others may need \$15,000/month. It is important to estimate your retirement living expenses and it's best to work with a professional to get through that process.

Determine if you can afford to sell the business

Working with professionals to help gather all the data necessary to project the affordability of your desired retirement lifestyle is a critical step in the exit planning process. In many instances, business owners need to adjust their lifestyle expectations to the reality of their personal financial situation. It is far better to accomplish that early in the process of making the decision to sell your business.

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 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.

Next Issue

OVERVIEW OF THE 15-STEP BUSINESS SALE PROCESS

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