

December 2015 - In This Issue:

DEVELOP A BUSINESS EXIT PLAN

WHAT IS MY BUSINESS WORTH?

WE BRING YOU SERIOUS BUYERS

COMMON BUSINESS SALES
MYTHS

IT ALL STARTS WITH YOU

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,

WHY YOU NEED TO DEVELOP A BUSINESS EXIT PLAN - NOW!

A Favorite Famous Quote

"Create a definite plan for carrying out your desire and begin at once, whether you are ready or not, to put this plan into action." Napoleon Hill

Considerations in Developing Your Exit Plan

A strong exit plan will take into account the following considerations:

- What are your personal goals?
 - Have you considered the goals of other family members?
- What is your existing personal financial situation?
 - Can you afford to sell?
 - What percentage of your net worth is represented by the value of the business?
 - Are you diversified enough, or is your wealth primarily tied up in your business?
 - If you intend to retire, how much savings are needed to maintain the lifestyle you desire?
- Are you mentally/emotionally ready to leave the business?
 - What will you do with your time after you exit your business?
- What legacy do you want to leave?
 - Have you considered how your decisions affect other stakeholders - co-owners, your spouse, your children and their spouses, your key employees, your customers/clients and your vendors/suppliers?
- What if you die unexpectedly?
 - Do you have a contingency plan to protect your family's wealth?
 - Without a contingency plan, do you realize that the value of your business could drop significantly as a result of your absence from the business?
 - Do you have adequate insurance coverage?
- What are your exit options? And what are the advantages and disadvantages of each?
 - Transfer the business to other family members?
 - Sell the business to employees?
 - Sell your share to other co-owners?
 - Sell to a third party individual?
 - Sell to a private equity group?

market and drive results in the sale, thus insuring you receive the most value at closing. [Learn More](#)

AVOID COMMON BUSINESS SALES MYTHS

Myth #1 - I Can Sell It Myself

Many owners believe they're qualified to sell their business without professional assistance, but selling a business is not like selling a product or service. If you're looking to sell on your own, confidentiality is lost. If word of a potential sale gets out, there are definite risks of losing clients, employees and favorable credit terms.

Do you really have the time to run your business and compile marketing materials, advertise, screen buyers, give tours and facilitate due diligence? When you're looking to sell, you want to put even greater emphasis on running your business, boosting your sales, and not taking on new challenges.

Myth #2 - I'll Sell When I'm Ready

Certainly, an owner wants to be sure he or she is mentally and emotionally prepared to sell. But personal readiness is just one factor.

Economic factors can have a significant impact on the sale of a business.

Sale prices can be affected by industry consolidation, interest rates, unemployment and many other economic measures. Talk with a professional and aim to sell when your personal goals and market conditions align.

Myth #3 - I Know What it is Worth

Some owners will base the company value on what they need for retirement. Others will tell you they want \$100,000/year for "sweat equity."

A third party valuation is a good idea for anyone seriously considering the sale of their business. An outside valuation will include a thorough analysis of the business and the

- Sell or merge with a company making a strategic acquisition?
- Recapitalize the business by obtaining outside investors with the goal of participating in significant growth of the business before you depart?
- Liquidate the business assets?
- What are the tax implications of the sale or transfer of your business?
 - How can you minimize taxes to maximize your net proceeds?
 - Have you developed an estate plan that considers tax implications?
- What is the value of your business?
 - How are businesses valued?
 - Does the exit option you choose affect the business valuation?
- When is the best time to sell your business?
 - Is the business saleable?
 - What needs to be accomplished to make the business saleable?
- How can you improve the value of the business?
- How should you invest the proceeds received from the sale of your business?

Which professionals do you turn to for advice?

To answer the question above, in the course of developing your exit plan, depending on your individual situation, you may find yourself talking with your CPA/accountant, an income tax specialist, your attorney, a personal financial planner, an estate planner, investment advisors/managers, professional business appraisers, real estate appraisers, insurance professionals, employee benefit specialists, business/management consultants, business brokers and/or merger and acquisition intermediaries.

In addition, you may need to determine the competency of your *existing* advisors in the specialty area of exit planning. Some professionals offer exit planning as a sub-specialty of their primary services. In addition, a fairly recent profession of dedicated exit planners is emerging. **It helps to have one professional take the lead in coordinating the efforts of the other professionals in developing your exit plan.**

You Need Time To Develop Your Exit Plan

Given the above list of considerations in developing your exit plan, as well as the overwhelming number of obstacles to the successful sale of a business, hopefully it is obvious that you need time to develop your exit plan. Ideally, you should have started thinking about your exit plan the day you started or acquired your business. If not, you'll be fine if you start the process three to five years from your anticipated departure. If you have a longer-term horizon, it's never too early to start. An untimely death or crisis can occur at any time. Start planning your business exit **NOW!**

Another Famous Quote

Everything you want also wants you. But you have to take action to get it. Jack Canfield

market it operates in. This will provide a solid understanding of the company's growth potential, not some vague industry average.

Myth #4 - It's Like Selling a House

Selling a company is much more complex than selling a house. A successful business sale usually requires a great deal of pre-planning, at least a year and maybe as long as three years to drive sales, develop key staff, document the operations and control expenses. The average house will sell in less than four months, while the average business sale is nine months to a year. Even after the business is sold, the seller can be expected to put in at least a few months, and possibly years of transition time, helping to make the new owner a success.

IT ALL STARTS WITH YOU

"All personal achievement starts in the mind of the individual. Your personal achievement starts in your mind. The first step is to know exactly what your problem, goal or desire is."

W. Clement Stone

DON'T MISS OUT - Interest rates are low, Strategic Buyers, Family Offices, and Private Equity Groups are very active. It costs nothing to discuss the value of your Business - [contact](#) us.

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:

The No-Cost Method to Start Business Exit Planning



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