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December 2017 - In This Issue:

**NUMBERS 34 - 44 OF 66
OBSTACLES TO A SUCCESSFUL
BUSINESS SALE**

INDUSTRY KNOWLEDGE

**P&G ALUMNI NETWORK GLOBAL
CONFERENCE - OCT 2017**

WHAT IS MY BUSINESS WORTH

Are we at the End or the Beginning?

It's the last days of November and when you read this it will be December. 2017 is nearing its end - was it a "short" year, or does time just go too fast?

We often tend to reflect as a new year is to begin on what has been happening. Maybe we look around to see what's going on now. Maybe it's time to look forward. I've heard or read that cars have small rear-view mirrors and large windshields for a reason - that is, that we need to spend more time looking forward than looking back - maybe, so we don't run into anything

But, looking back and seeing where we are can be a time to figure out where we want to be.

For Business Owners - where will your Business be in 2018? Will it grow? Will it perform as it has in 2017 or will it perform better; are

SYNOPSIS OF NUMBERS 45 - 55 OF 66 OBSTACLES TO A SUCCESSFUL BUSINESS SALE

45) Not Believing Time is of the Essence

Always assume buyers have other options they are considering. When qualified buyers express interest in your business, help move them through their evaluation process as quickly as possible. Cooperation with buyers needs to be a priority. If you drag your feet, they will too.

46) Failure to Facilitate Closing on a Timely Basis

The passage of time always works against the successful closing of a business sale transaction. If you or your advisors dither in responding to a buyer's due diligence request, it creates a harmful impression in the buyer's mind: "Why is the seller taking so long to respond? What's going on? Are they manipulating information? Have I uncovered something they do not want to discuss or disclose?" If you are unable to respond quickly, it is extremely important to immediately communicate why and when the buyer can expect a response.

47) Sellers Surprised by Tax Implications

The tax bite in a business sale can be very significant. It's important to understand tax implications prior to putting your business on the market. Don't wait until you have an offer to evaluate.

48) Failures in Negotiating Representation and Warranties

Buyers feel they should be entitled to standard protections that other buyers receive in their acquisition agreements. If you were buying, your attorney would attempt to include the same language for your protection. In evaluating the severity of the representations and warranties, ask your attorney which of those protections he would compromise on if he were representing you as the buyer rather than as a seller.

49) Failures in Negotiating Non-compete Agreements

Buyers have a legitimate right to expect sellers to sign reasonable non-compete agreements. If you waver on this issue, the buyer will fear he will be unsuccessfully competing against you in a short period of time.

there threats that will cause it to struggle? Many scenarios and no guarantees - that's business.

As I assume you are aware, our business is advising business owners that want to sell and advising business buyers.

We see owners that don't have the same strong passion to continue to grow the business they used to have and that should consider selling when things are still pretty good versus waiting, which might reduce value. We see Businesses doing well that need to make significant investments to continue to grow, but the owner doesn't want to take the risk. Maybe it's time to consider selling?

The important thing to do is to pause and take a hard look at your business. How is it performing; what will it likely do in 2018 and maybe 2019? Are you in a "good place" personally and professionally, or is it time for a change? Perhaps these are a lot of questions and not so clear answers, but nevertheless questions not to be ignored. Planning is good, but it's better when the plan is implemented.

As all of us will hopefully enjoy the December holidays, here's suggesting that we have some days when we can slow down a bit and look backward a bit and, more importantly, look ahead to see what, if anything, needs to change in our business lives.

WHAT IS MY BUSINESS WORTH

50) Failures in Negotiating Terms of Seller Financing

In today's market, it is very likely you will have to provide some seller financing. When you have a qualified buyer with whom you feel comfortable, it's best to keep an open mind on the amount and terms of partial financing you might provide. Often the trade offs gained in negotiating acceptable seller financing can be beneficial to your longer-term net proceeds/rewards.

51) Nitpicking in Negotiations

In negotiations, always stay focused on the big items that really matter. Successful negotiations result in win-win scenarios. Be prepared to give on some items to win the results you absolutely require. Nitpicking is counter-productive.

52) Technological Obsolescence

Changing technology can affect salability. Example 1: Typewriter repair business! Example 2: Many printing businesses have failed to adjust to the digital age and are struggling to compete and survive.

53) Lack of Compliance with Regulations (Environmental, Health/Safety, Taxes, etc.)

Although acquiring a business is inherently risky, buyers are primarily motivated to minimize risk. When there are regulatory issues, it's best to try to resolve them before selling. If that is not possible, disclose the issues up front and provide the buyer with a path to resolution.

54) Lack of Compliance with Regulatory Authorities (Franchisors, Licensors, etc.)

By agreement, stakeholders such as franchisors, licensors and manufacturers who offer exclusive distribution rights have the power to approve or disapprove the transfer of your business. If you are not in compliance with their agreement, they will kill your deal. Address this issue before selling your business.

55) Unresolved Legal Issues

Before attempting to sell your business, it is important to work with your attorney to resolve any outstanding legal issues.

INDUSTRY KNOWLEDGE & ACCESS TO BUYERS NATIONWIDE

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.

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

Numbers 56 - 66 of 66 Obstacles to a Successful Business Sale

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