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Zoellner, Garten & Co.
Cincinnati & Dayton OH
513-852-2400
937-677-2400

November 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

**P&G Alumni Network Global
Conference - October 2017
John W. Zoellner - Presenter**

I was invited to speak with another gentleman at the P&G Alumni Conference in Cincinnati in October 2017. Although not certain, it is believed that I was one of a large number of speakers that were not P&G Alumni. Our Topic was:

**"What's the Plan - Learn to
Develop a Solid Business Plan
for Success"**

P&G Alumni is an impressive group of successful men and women. About half of the attendees at our portion of the Conference either have owned or now own a small business.

We asked the audience: "What percentage of businesses have a Business Plan?" Answers varied - my answer is "100%", but most have not put it in writing and the plan for many is "what do I have to do today".

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

34) Owners Forced to Sell Due to Factors Beyond Control

If an owner fails to plan for the sale of the business and is then confronted with factors beyond control (such as illness, disability, economic downturn, etc.), the business may not be salable and there may be insufficient time to overcome obstacles that preclude the possibility of a successful sale.

35) Trying to Sell to Someone Who Doesn't Want to Buy (Competitors)

If contacted, industry buyers, such as competitors, suppliers or customers will always feign interest to enable them to learn more about your business. But generally they will not pay a fair price and the risk of a confidentiality breach is heightened considerably. Read more in this article: Issue #22 - Customers, Suppliers and Competitors as Buyer Prospects.

36) Seller Fails to Plan for Life after the Sale

Many owners do not look forward to retirement because they feel they will lose a part of themselves. In their minds, the business is the owner and the owner is the business. That type of thinking is not conducive to a successful sale, nor is it conducive to taking that first step towards developing an exit plan.

37) Seller has no Business Plan

Although your business valuation is based on past earnings, buyers are really buying future potential. Buyers need your input to have a good understanding of future growth prospects. A business plan is not only beneficial when selling your business, it will also help grow the business during your ownership term.

38) - Preparing to Sell Your Business - Writing the Buyer's Business Plan.

We asked how long a business plan is good for. Again, answers varied and someone said, "one year". Another person said it's only good for a moment after it's completed. We commented that we believe that the real value of a business plan is the PROCESS of creating it. It's a fluid document that changes as events occur.

The Process is to describe the business, where it was, where it is (if it's an existing business), and where it is going. There are many aspects of all businesses and looking at them and identifying strengths and weaknesses will hopefully prevent failure, whether failure is going out of business or struggling.

Funding is important - to start or buy the business, then funding to operate; projections and some "what if" scenarios should be studied. Identifying what the business provides are critical to success, i.e., is it needed, is it affordable, will customers of clients buy.

The Process of creating the Business Plan and reviewing it and reacting to what is learned should help identify why there was success - or lack of the same.

Create a Business Plan - put it in writing - it's a valuable tool.

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

39) Not Involving Professional Advisors Soon Enough

40) Overprotective Professional Advisors

Every business sale transaction has risks on both sides. When negotiating with buyers, tell your attorney, accountant, etc., upfront that you want to understand the risks, but you also want to make a deal. Make sure they know you intend to be the decision-maker on any contentious issues.

41) Professional Advisors' Potential Conflict of Interest

Always be aware of a professional advisor's potential conflict of interest. For instance, your company's attorney and CPA do not want to lose your business as an ongoing client generating recurring annual fees.

42) Intentional Misrepresentation by Seller

This is bad, very bad news. Not only will it kill a deal, it will also come back and haunt you in the form of a lawsuit. Intentional misrepresentations seldom survive the due diligence stage and never survive the post-acquisition phase. Always disclose any known negatives as early as possible.

43) Sellers' Impatience with Sale Process

Patience is required throughout the entire sale process. It will seem like everything takes longer than it should. With professional advisors involved on both the buyer and seller side, it shouldn't be all that surprising. Serious buyers are usually considering investing most of their life's savings. Especially in final negotiations, be patient; don't lose a good buyer by being impatient.

44) Inflexibility in Structuring a Deal

Tinkering with the structure and terms of a transaction can often help resolve differences during price negotiations. Maintaining the flexibility to consider the buyer's viewpoint, ideas and reasons regarding the terms of a proposed transaction are important aspects of successful negotiations.

INDUSTRY KNOWLEDGE & ACCESS TO BUYERS NATIONWIDE

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 45 - 55 of 66 Obstacles to a Successful Business Sale

[CONTACT US](#)



John W. Zoellner
[Zoellner, Garten & Co.](#)
Cincinnati, Dayton OH
513-852-2400



Terry D. Wagner, Sr. Vice President
James R. Sachs, Sr. Vice President

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Zoellner, Garten & Co., 644 Linn Street, Suite 634, Cincinnati, OH 45203