

Please take a moment to review the valuable content in our newsletter.



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

October 2017 - In This Issue:

**NUMBERS 23 - 33 OF 66
OBSTACLES TO A SUCCESSFUL
BUSINESS SALE**

INDUSTRY KNOWLEDGE

A GOOD MAN...

WHAT IS MY BUSINESS WORTH

A GOOD MAN...

I grew up in rural Wisconsin, dairy country, right in the middle of the State. The house I grew up in was the former home of the owner of a closed cheese factory. My dad didn't own a farm, but all the neighbors were dairy farmers.

Phil was the farmer across the road. From a very early age he was my "older brother". I spent a LOT of time with him, working as everyone does on a farm and among many other things, he taught me how to drive a farm tractor - at age 5!

What I didn't realize at the time was what he taught me about life. I never thought I was working, but looking back, we were always busy: planting and harvesting crops, feeding animals, shoveling manure, whatever else needed to be done. We milked cows twice daily - every day, without fail, rain or shine, sick or well - or we would have lost the herd! It's called commitment and work ethic.

There always seemed to be some fun things to do: a baseball or softball game, shooting a basketball, throwing

NUMBERS 23 - 33 OF 66 OBSTACLES TO A SUCCESSFUL BUSINESS SALE

23) Losing Focus - Business Decline during Sale Process

- Some owners "check out," lose focus, or become too distracted during the process of selling. If profitability drops after the business is put up for sale, only two things can happen: the business value decreases and you sell for less, or you can no longer afford to sell the business at its reduced value.

24) Lack of Flexibility in Negotiations

- In final negotiations, every transaction comes down to a few unresolved differences. Patience, open communications and understanding the other party's needs are important factors in resolving conflicts.

25) Sellers' Lack of Emotional Control

- Emotions arise several times throughout the business sale process, including making the decision to sell, negotiating to acceptable offers, during due diligence and in drafting the final definitive documents. The key to managing your emotions is adequate planning for and understanding of the business sale process and recognizing there will be contentious issues.

26) Sellers Don't Understand Buyers' Motivations

- Risk aversion is a major factor in buyers' decision-making. Sellers need to appreciate how important that motivator is and prepare for buyer meetings accordingly.

a football, or playing table tennis in our basement. There was a softball field across the road from our house and we had "married guys vs. single guys" games for food and drinks, with the winner paying 40% of the cost and the loser paying 60% of the cost. Sounds corny now, but it was just neighbors getting together after evening farm chores and enjoying it.

Most importantly as I look back I never felt like "a kid". I was accepted not only by Phil but by other neighbors. Farmers worked together and made life a bit easier for each other. Farms seem to always have jobs to do and everyone pitches in - young and old. Those neighbors knew that everyone played a part and should be included.

What brought this up? I got a call from my oldest sister yesterday saying Phil passed away at age 89. He had some heart issues and collapsed at home with his wife and son with him. He didn't spend time in a hospital or nursing home, so for that he was fortunate. We lost a Good Man - Heaven has him now.

R.I.P Phil!

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.

27) Owners Don't Sell Business' Growth Potential

- Buyers want to know you understand important metrics in your business, and they want to know what can be done to make the business grow. Advance preparation for buyers meetings is one of the keys to a successful sale. Read more in this article:

28) Difficulties Transferring the Facility Lease

- To some extent, this is one of the most problematic obstacles to a business sale because so much is beyond your control. However, it's extremely important to be knowledgeable of the terms of your facility lease and to control as many aspects as you can.

29) Real Estate Transfer Issues

- Commercial real estate values are much more difficult to ascertain than residential real estate values, and the value of your business is dependent on the value of the real estate it occupies. It's important to obtain a professional commercial real estate appraisal before putting your business on the market.

30) Bad Timing - Waiting too Long to Sell

- The most common timing mistake business owners make is trying to hold on and turn around declining results when they don't really have the enthusiasm or mental drive to make it happen.

31) Confidentiality Breach and Employee Suspicion

- A breach of confidentiality can have significant negative effects on your employees, customers, suppliers, competitors, lenders and buyers. It can kill a pending deal and/or preclude you from being able to sell your business.

32) Lack of Required Approvals from Stakeholders

- If you do not discuss your sale intentions and the approval process with partners, shareholders, franchisors, manufacturers (in an exclusive distributorship relationship) and/or your spouse before putting your business up for sale, it will almost certainly come back to haunt you.

33) Unproductive Assets

Buyers will not pay extra for unproductive assets like obsolete inventory or excess furniture, fixtures and equipment. In addition, the unproductive assets create a negative image of the business.

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

Numbers 34 - 44 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