

Plan for the eventual sale of your business.

Will you be ready? What to do now to maximize your business value. Why begin now?

Inevitably every business will transfer ownership. Current statistics tell us on average privately owned businesses change ownership every 5-7 years.

Valuing a business begins with a financial analysis of the business. This information along with an assessment of “key value drivers” is measured against a wide range of industry data and comparable sales.

A business value must be justifiable to the buyer and the lender relative to their other alternatives.

Today we are going to focus on six key value drivers.

It is financially beneficial and therefore critical for a Business Owner to Preserve, Protect, and Promote these Value Drivers to maximize your business value.

1. Management Team and Key Employees

Work yourself out of a job...be a manager, a leader and a coach, not the “go to” person.

2. Customers and Vendors

Solidify and diversify concentration

3. Historical versus Future Performance

The correlation of Earnings and Revenue

Earnings= (OCF/SDE/EBITDA/EBIT) also known as cash flow

Owner’s Cash Flow, Seller’s Discretionary Earnings are synonymous = Net profit plus, depreciation, amortization, interest, non business and perhaps one-time expenses, one owner’s compensation.

EBITDA= Earnings before interest, taxes, depreciation, amortization, non business and perhaps one-time expenses.

EBIT= Earnings before interest, taxes, non business and perhaps one-time expenses.

Revenue=Total dollars received for Products and/or services provided by Company.

4. Fine Tuning of Financial Documents

Do the financials accurately reflect your business operation?

5. Growth Opportunities

What Buyers want?

Opportunities for Growth, ROI with Low Risk

6. Transferability of Your Business

Will your business work for others when you are gone?

Know your worth!

Statistics show on average:

- 65% of business owners do not know their Company's value.
- 75% of the business owner's net worth is tied up in business.
- 85% of businesses are not prepared for a sale.

What's next?

Find out today's market value of your business. This will help us assess your timeline and readiness for selling your business.

Contact me for a confidential appointment.

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