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

April 2018 - In This Issue:

PREPARING TO SELL YOUR BUSINESS - PLANNING CONSIDERATIONS

INDUSTRY KNOWLEDGE

HOPE...HELP

WHAT IS MY BUSINESS WORTH

HOPE...HELP

My Mother-in-Law passed in November 2017. I recently attended a Hospice sponsored "Remembrance" of those that we've lost. And a few days ago, I attended the funeral of a relative of a close friend.

Grieving is different for everyone, and not easy. The "theme" at the funerals and the Hospice Remembrance was "Hope". It was Hope / optimism that we would find a way to come to terms with our loss. The Hospice function specifically focused on "Help". They offer programs for the spouse and family and friends that have suffered a loss. One particular program is for husbands - husbands often rely on their wife and can be devastated by the loss. Meeting and sharing their feelings and experiences and grief with other husbands is helpful and healing.

In business we have good things and not-so-good things happen. It would be almost impossible to be business owners if we are not generally positive about the future. When we have difficulties in our businesses, we

PREPARING TO SELL YOUR BUSINESS - PLANNING CONSIDERATIONS

The information accumulated in this process sets the foundation for the rest of the preparation activities. From both a financial and mental standpoint, the objective is to establish where you are currently and where you want to go. The answers will help outline a path to achieve your goals and help you control your own destiny.

Learn the realistic value of your business

Studies indicate that the business represents 50 - 90% of a typical business owner's net worth. With that in mind, as you begin the planning process, one of the first things to accomplish is to learn the realistic value of your business. Many business owners have no idea or inflated expectations of the value of their business. A suggestion is to have an experience Business Broker provide an opinion of a justifiable Asking Price, a likely Selling Price, and an estimate of what would be the "net" from a sale after paying Liabilities, costs, and taxes. This does not have to be an expensive proposition, and it established a target number - very useful for planning purposes.

Learn the realistic value of your commercial real estate

For those who also own commercial real estate, including the facility occupied by your business, it's also important to also know its realistic value. For purposes of preliminary planning, a comparative market analysis (CMA) provided by a qualified commercial real estate agent (or a couple of agents), can provide a reasonable estimate of value sufficient for planning purposes. CMAs can often be obtained at no cost. Again, because of the wildly fluctuating market of perceived values in commercial real estate, a CMA may not be sufficient if you intend to sell the business in the near-term.

Assess your personal financial situation

To complete the picture of your existing personal financial situation, assess the value of your other assets. At this point, you should also try to project your future living/lifestyle expenses as well as future income

need to have Hope that things will get better...but we also should look for HELP. We can't do it alone. Help starts with examining what has happened or is happening and it's not always easy to figure that out.

Businesses with a Board of Directors or a Board of Advisors have some of that help immediately available. After figuring out what we need to address, it's strategizing - looking at possible solutions, analyzing them, then making decisions on how to address problems.

One of the facts about owning a business is that it can be lonely. Just like dealing with the loss of a loved one, it's easier to deal with problems if we seek and accept Help.

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.

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Preparing to Sell Your Business - Minimizing Buyers' Risk

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including your expected income, spousal income, investment income and various forms of retirement income that you are entitled to. In addition, you need to understand the tax implications of a business sale and the future income flows. To develop meaningful information, it's best to work with qualified personal financial planners and tax advisors.

Determine the likely type of buyer of your business

Your personal goals as they relate to whom you would like to sell your business influence the business exit planning process. Are your goals to ultimately transition your business to a family member, co-owner, or employee(s)? If so, although there may be much in common with selling to a third party, the planning and preparation process needs to be tailored to that goal. Determining the likely buyer type (co-owners, family members, employees, third party individuals, larger corporations) for your business is something that should be determined early on.

Estimate your future lifestyle expenses

To estimate your longer-term post-business-ownership living/lifestyle expenses, it's necessary to have some idea as to timing and of your intentions after you leave the business. Depending on how far out you are from making the actual decision to sell, this can be the most difficult information to discern. Even if you are more than ten years from selling your business, the benefits of developing an exit plan are so significant that it's important to go through this exercise. It's a necessary step in the process. So, discuss your post-exit interests with your spouse or significant other and try to develop preliminary but flexible plans. Just do it! It doesn't have to be final and can be flexible but the conversation needs to take place to enable the rest of the planning process. These are key preliminary planning steps that should be accomplished to enable you to properly start the process of preparing your business for sale.

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](#)



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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