

February 2017 - In This Issue:

COMMON WAYS TO LEAVE YOUR
BUSINESS

INDUSTRY KNOWLEDGE

FROM THE PAST TO THE FUTURE

WHAT IS MY BUSINESS WORTH

FROM THE PAST TO THE FUTURE

It's February - 2016 is in the rear-view mirror (except for tax returns) and January is finished as well. I try not to spend too much time "looking back", but do reflect on the past as it can help me perform and make less mistakes in the future.

The fourth quarter 2016 seems like it went quickly (except when listening to candidate commercials and political debates). It seemed like some things just got put off prior to the election, and after the election, and then Thanksgiving and December Holidays slowed things down as they always seem to do.

As for 2017 - I see it as positive and with many opportunities. A new administration could be good for business (we hope), interest rates continue to be very low based on where they were a decade ago, and Business buyers have lots of funds

COMMON WAYS TO LEAVE YOUR BUSINESS

Selling your business is not the only way to leave your business. There are other options of which you should be aware. In the list that follows, depending on the nature, size and profitability of your business, some methods may not be achievable. After reviewing the list, you'll see that some exit options are more desirable than others. In future issues we will discuss types of buyers for the "sell your business" option in greater detail.

Before embarking on the sale of your business, you should understand the common exit options available to you.

1) Sell your business: Possible buyers include co-owners, family members, friends, individual buyers, a single employee, a management buyout (MBO), a management-led leveraged buyout (LBO), an Employee Stock Ownership Plan (ESOP), larger corporations (strategic acquisitions), private equity groups (PEGS) or private investment groups (PIGS) (also known as financial buyers), customers, suppliers, and competitors.

2) Gift your business ownership: Possible recipients include family members, friends, employees, or charitable organizations. The tax implications of gifting your business are very complex and may require a considerable amount of time to plan the transition of your business through gifting. If this is your chosen method of exit, start planning many years in advance of your desired exit date.

3) Hire a manager for the business and become a passive owner: In this situation you would still own the business; this is really a quasi-exit option. Obviously, unless you fund the business out of your own savings, the business needs to generate enough cash flow to allow you to hire a qualified manager, enabling you to step away from the business to the extent that you desire.

4) Liquidate the assets: If your business cannot be sold as a going concern for more than the value of your hard assets, liquidating the saleable assets through auction is one method of generating funds. However, any sales proceeds must pay off the debts of the business before you can be paid. This is one of the least desirable exit options and is the price many business owners pay for their failure to adequately plan their business exit.

5) Close up shop: If the business cannot be sold as a going concern and does not have any assets of real value, and the business does not have other obligations in the form of debts, leases, etc., an owner can

they must employ. Private Equity Groups, Family Offices, Strategic Buyers, and Individuals are all active.

It is time to sell? Many years ago, my retired Father called and said the neighbors across the road came over and asked if he would sell his house - the house I grew up in. He asked me what I thought he should do. I asked him when was the last time anyone knocked on his door and wanted to buy his house. He said this was the first and only time. I said it could be a lot better not to have the house and lot to take care of and maybe selling would be a good thing - he did sell.

For you and your business - it may or may not be the time to sell, but the time to seriously consider it is when conditions are "right" and someone brings enough money to make it worthwhile. ***Think about it - no Liabilities, no payroll to meet, you will have funds to invest, and you can do something else or maybe do nothing for a while.***

Give us a call or E-mail and let's at least have a discussion.

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

just close the business and walk away. Or, if corporate obligations exist, those obligations can be transferred to the owner personally.

6) Bankruptcy: Obviously the last resort for most to even consider.

INDUSTRY KNOWLEDGE & ACCESS TO BUYERS NATIONWIDE

Our presence as a Professional Business Broker is extended nationally as a result of being an affiliate of [BHarmony, LLC](#). 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

TYPES OF BUYERS

[CONTACT US](#)

sellers daily. This approach insures you plan for and receive the maximum return on the transfer of your business.



John W. Zoellner
Zoellner, Garten & Co.
Cincinnati, Dayton OH
513-852-2400



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