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## **DETAILS & DISCLOSURE**

My Father-in-Law passed away in October. He was age 81 and for the past two years his health had declined. He's in a better place - not suffering any more R.I.P.

My wife is an only child. This makes me the guy that is looking through records to see what he owned, what he owed, and how to deal with it. What am I finding? A lot of things that were not known to my wife and me. Why? Because he didn't tell us because he was never open about many things, specifically financial things. We also share the blame because we didn't ask! As his health declined, we SHOULD have pushed harder for more information as it would have made the current "discovery" of the details a lot easier.

What we've found is a number of things like annuities, investments, retirement fund opportunities to recover medical costs, and I expect we likely will find other

## **PREPARING TO SELL YOUR BUSINESS HOUSEKEEPING**

When a prospective buyer visits your facility and it is a mess, it makes a very negative impression and the buyer will expect to see messes in all aspects of the business. On the other hand, if a buyer sees a neat, clean and well-organized business, it creates a very positive first impression. To the buyer, it demonstrates pride of ownership on your behalf and he/she can project their future pride in ownership of your business, which is one of the strongest motivations for prospective buyers.

### **"First impressions are lasting impressions"**

That's why a little housekeeping is a necessity to prepare for the sale of your business. It is so very important to get off to a good start with a serious prospective buyer. Selling a business is always tough, but avoiding a negative first impression can be accomplished with a little effort.

### **Eliminate clutter**

Residential real estate agents will always tell homeowners that they need to eliminate the clutter in their home. The same goes for selling your business - eliminate the clutter. It's not as hard as it sounds and here's my favorite way: the "Four Box method" which forces you to make a decision on each item of clutter you identify. Find three boxes and a large trash can and label the boxes, "Put Away", "Give Away/Sell" and "Storage." Pitch what you can in the trash can and choose one of the three boxes for things that must be retained. If items are too large for boxes, make a list according to the four categories. Then assign responsibility for disposition of the items that end up in boxes and on your "too large" lists. Because so many of us don't even notice clutter (I'm guilty!!) on a day-to-day basis, consider asking an independent, third-party "clean freak" to accompany you on the trip through your facility to help identify the clutter.

things that will come to light in the next weeks and months. The financial value of everything is not large at all - but it is what my wife's family worked for and should be recovered for my wife. What's the relevance of this? A suggestion and maybe a warning. The financial matters in our personal lives need to be kept track of and made available to our families. Details are important! The financial matters of our Businesses are equally important - so if something happens to us, our families know what is there and hopefully have a plan to deal with it. Business ownership is often the largest Asset in an Estate - and we as Owners have an obligation to protect that value for our heirs. Disclosing details is a huge step in the process. By the way, if we keep good records of things that we benefit from as business owners and can substantiate those benefits to a buyer when it's time to sell, the value of the business goes up. Buyers can't rely on things we can't specifically identify. Document the details and have them available to disclose to those that have a need to know - family and possible buyers. You might ask yourself and also "What are your loved one's wishes?" Even if you or they haven't thought a lot about it, it's important to **Document & Disclose Details** - both personal and business - it's the right thing to do.

## WHAT IS MY BUSINESS WORTH

It will cost you absolutely nothing and there is no obligation in giving

## Sell obsolete assets and inventory before selling the business

In previous newsletters, we suggested identifying non-productive assets such as old or obsolete inventory, and excess furniture and equipment and selling them off before putting the business up for sale. Then spruce up, clean and organize the remaining inventory and assets that are to be sold as part of the ongoing business.

## Remove personal assets from your business' facility

Remove all assets that are personal in nature that you want to retain, including business mementos. If your first dollar earned in the business is framed on the wall of your office, or your first business sign is displayed (or whatever type of business mementos you have that you want to keep), rest assured the buyer will want those items. Rather than fight with a buyer over them, just remove them from your office and take them home before putting the business on the market.

## Clean, paint, repair and replace

Do some housekeeping. Clean the facility inside and out. Consider hiring a commercial cleaning business for a one-time visit and specify what you want to be accomplished. Repair any sign problems and replace lights and stained ceiling tiles. Consider repainting the facility inside and out (if appropriate). Clean the restrooms. If they are really bad, consider replacing toilets and sinks. Make sure the towel dispensers are working properly. When necessary, consider painting or touching up areas that need attention. Consider having some exterior landscaping clean-up performed (if applicable).

## Consider upgrading your technology

And finally, consider upgrading technology. If your computers are more than 3-5 years old, consider upgrading them. It's not that new computers will necessarily increase the value of your business, but it can make a big difference in the perception of your business. It gets back to making that positive first impression and usually technology can be upgraded with a minimal investment.

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.

A little front-end housekeeping will lead to greater likelihood of a successful and much less painful business 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.

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### Next Issue

### Preparing to Sell Your Business

### A 50 POINT ACTION PLAN

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