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March 2019 - In This Issue:

THE RIGHT TIME TO SELL YOUR BUSINESS

INDUSTRY KNOWLEDGE

APPRAISALS - BUSINESS & ASSETS

WHAT IS MY BUSINESS WORTH

APPRAISALS - BUSINESS & ASSETS

Business Appraisal / Valuation (they mean the same thing)

We have appraised just about every type business - Manufacturing, Distribution, Service, Retail, Restaurant, and Professional practices such as Doctor's Groups and Accounting practices. We have also valued Medical Licenses - an intangible Asset - they often have a lot of value as in most instances the business couldn't operate without it.

Machinery & Equipment (M&E) Appraisals (Personal Property Assets)

We have appraised just about

THE RIGHT TIME TO SELL YOUR BUSINESS?

The Right Time to Sell Your Business

Only you can determine the right time to sell your business. Perfect timing

To achieve perfect timing, the best time to sell is when you are mentally prepared and the company has had three or more great years in a row. In addition, perfect timing would include ideal external conditions where interest rates are low, financing is readily available, capital gains taxes are low and the national economy is humming. Those external conditions existed in the fall of 2007, but if you are reading this newsletter, you probably missed it! Who knows when the external conditions will again be so favorable, if ever? That is totally unpredictable. Economists' prediction success rates are not much higher than weather forecasters because there are so many unpredictable variables (such as political instability, unknown tax implications, U.S. and European debt, international terrorism, Middle East-tensions, Trade Talks, etc.). Many threats can upset the apple cart.

Small business valuations drop faster than they recover

Much like the stock market, small business valuations are dynamic. The stock of General Electric (GE) dropped 58% from 10/31/07 to 10/31/08! The same thing can happen to small businesses in an economic downturn. If your profitability drops considerably due to an economic downturn, your business valuation immediately drops as well. It's an unfortunate fact that small businesses are valued based on their most recent results (if profitability is down), but usually on an average of about three years if profits are consistently rising. In other words, if you are coming off a down year, it will take three years of increasing profitability to eliminate that poor year from inclusion in the valuation. That's why it is best to consider selling when you have achieved three consecutive years of successful results. In today's world, the macro-economic climate can quickly detrimentally affect your business value, just as it hammered GE's stock price in 2008. One of the most common obstacles to the successful sale of a business comes from owners who wait

every type equipment there is, including manufacturing equipment such as machine tools and printing presses, to business vehicles to store fixtures and everything in between.

The Purpose for Appraisals has included Business Planning, Buying or Selling a Business, Succession Planning, Estate Planning, Gifting, Obtaining Loans, determining the value of marital property in a Divorce or property owned by an Estate, Partner Buy-Out or Buy-In, Litigation Support, and others.

Our Clients have included Business Owners, Business Buyers, Accountants, Attorneys, Bankers or other Lenders, and anyone wanting and needing to know the value of a Business, of Machinery & Equipment, or any Business Asset.

Size of businesses - they have ranged from businesses with Annual Revenues of \$100,000 or less to \$100 million. We've appraised one piece of equipment and we've appraised over 100 major pieces for one assignment. Geography - we've appraised businesses and machinery & Equipment across the United States.

Please contact us to discuss your thoughts and needs

too long to sell. To learn more read Issue #87 - Bad Timing - Waiting too Long to Sell.

The economic climate is unpredictable

With such an unpredictable economic climate, you can't plan on basing your decision on the ideal macro-economic climate. It may never arise again. In addition, it's hard to recognize peak conditions. If that were possible there would be a lot more people buying low and selling high in the stock market. The timing of your decision should be based on your personal considerations and controllable factors within your company. You must plan for the sale of your business

The key is planning for the sale of your business in advance so when the timing is right from a personal standpoint, you are adequately prepared and the valuation has been maximized (regardless of the economic climate). Because there are many reasons that may force an unplanned sale of your business, it always best to be prepared.

The ideal time to sell

The ideal time to sell is when a confluence of positivity occurs: 1) a helpful macro-economic climate; 2) you are mentally prepared to sell; and 3) the company has had three consecutive years of increasing profitability. Through planning and preparation, you can control (or significantly influence) the latter two by attempting to maximize the business value at all times. By doing so, if you are forced to sell for reasons beyond your control, you are likely to have a salable business whose value has been maximized.

Overcome the Power of Inertia and give us call. We can provide a non-biased professional opinion of value and help you identify obstacles to a successful sale as well as opportunities for improvement to increase the value of your business. That is a great way to start planning for a successful and profitable exit from your 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

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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.

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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