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### Getting to Know One Another

As we adapt to the ever-changing world of business, we want to hear from you on what we can do to help. We specialize in providing business appraisals, equipment appraisals and business improvement consulting.

We have consulted and appraised just about every type of business from manufacturing, distribution, service, retail, restaurant, and professional practices.

These businesses have ranged from annual revenues of less than \$100,000 to over \$100 million. We have also appraised just about every type of equipment there is, including manufacturing equipment such as machine tools and printing presses, to business vehicles, store fixtures and everything in between.

To provide our services we need to get to know the people. How do we get to know anyone when in-person meetings are minimal? Talking? E-mails? Video conferencing? Yes, those interactions can and do work, and in some cases perhaps are the only option. But those options will never be as good as visiting and touring a business, talking to the owner, and having personal interaction.

Let's pretend we happened to be sitting next to each other at a sporting event or on an airplane or somewhere else and we struck up a conversation. What if our respective businesses came up? We are friendly and assume you are as well. We would simply say hello and start a CONFIDENTIAL conversation about the future of your business, or anything else for that matter. There is no obligation for either of us to do anything, but by getting

## Inadequate Second-Level Management When Selling a Business

Are you able to take a two-week vacation and feel like your business is in good hands? Are you working 45 hours per week or are you working 55 to 65 hours per week?

If your answer to the former question is yes and you are only working 45 hours per week, you may be in good shape as it relates to second-level management. If your answer to the two-week vacation question is no or you are working 55 to 65 hours per week, you may have a big obstacle that needs to be addressed to successfully sell your business.

**Buyers need to rely on your key people after acquiring the business.**

*From a potential buyer's perspective, reliable, qualified second-level management is a significant benefit that adds a lot of value to an acquisition.*

Buyers need assurance that customer relationships can continue without the current owner's involvement. They also want to know that employees have the ability to deal with difficult issues that inevitably arise in the day-to-day running of a business. Buyers usually want the flexibility to take time off and want to have a life outside of their commitment to the business they intend to acquire.

If you don't have much of a life outside of your business, it could be a strong indicator that your second-level management is inadequate or non-existent. Granted, good people are hard to find. But small business owners must persevere and identify talented employees, train them and provide increasing responsibilities. Owners need to delegate and "loosen the reins" and perhaps also "loosen the purse strings" for their best employees.

to know each other maybe there will be thoughts and ideas worth considering.

We have been in business since April 1988, coming up on 33 years! Actually, that's kind of hard to imagine. During those years we have met a LOT of business owners, accountants, attorneys, bankers, and others. We've learned something from each person and will learn from everyone we come in contact with in the future. It makes life interesting and it's one of the joys of doing what we do.

Let's get together – call or E-mail any time.

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If all the knowledge about a business resides in the owner's head and has not been adequately transferred to key employees who can run the business in the owner's absence, it's a significant obstacle that might preclude the possibility of a successful sale.

In the long run, the investment in a few key people will pay off. It will improve the prospects of selling your business, and likely will help the business grow, providing greater personal flexibility.

Do you have adequate second-level management in place?

***NEXT ISSUE***

**CUSTOMER CONCENTRATION  
ISSUES**

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