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**Zoellner, Garten & Co.**  
Cincinnati & Dayton OH  
513-852-2404  
937-677-2400

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### How do business adjustments impact business value?

It's now two years since Covid changed almost every aspect of our lives both personally and for most if not all businesses. All businesses have had to deal with staff health concerns, staffing shortages, government mandates as well as supply issues. Coping with these issues created significant challenges for our businesses and if nothing else, we learned that all kinds of adjustments were necessary in order to maintain success.

### How did these adjustments impact business value? And specifically, your Business Value?

Some businesses shifted to a remote work force, some reduced their staff and others bought smaller competitors that were struggling to make adequate adjustments. These decisions helped many businesses experience growth and stability while others suffered significantly.

Business value generally begins with a review of recent history, current state, and any identifiable trends. Predicting the future has never been easy, and events such as Covid can make it even more difficult. None the less uncertainty needs to be assessed and adjustments need to be made to maintain the businesses success.

The sale of businesses is happening, despite the

### Inadequate Preparation for Due Diligence Part 2 of 2

NOTE: If you missed Part 1 of this, please contact us and we will send it to you. Thanks. Moving forward...

Arriving at the due diligence stage is one of the best moments in a Seller's life. You may be within mere weeks of the biggest payday you've ever had. If you have properly prepared, due diligence can feel like an administrative process that enables you to **confirm and demonstrate clearly to the buyer just how great your business really is!**

To recap, here's how to prepare for the due diligence process:

- 1) Identify any obstacles to a successful sale before you put the business on the market.
- 2) Address and resolve as many of the identified obstacles as you can before selling your business.
- 3) Disclose unresolved issues upfront, presenting them in the best possible light along with possible solutions and opportunities for improvement.
- 4) Avoid due diligence surprises by disclosing all known issues, regardless of your ability to position them as opportunities.
- 5) Develop a trustworthy relationship with the buyer to enable you to resolve unknown negative surprises that might arise.
- 6) Prepare for due diligence by reviewing a standard due diligence list with your intermediary and advisors.
- 7) Surprise the buyer by voluntarily preparing a due diligence package addressing most of, or even more than, what you anticipate the buyer will request.
- 8) Be sure you and your advisors respond to due diligence requests on a timely basis.
- 9) Have a positive mental attitude: you are just weeks away from a huge payday!

Even if successfully sold, when negative surprises arise in due diligence, it can be emotionally painful for the seller and the buyer. Even more painful are negative surprises that raise their ugly heads and kill the deal - wasting everyone's investment of time and monies. It doesn't have to be that way.

***With proper preparation, negative surprises during due diligence can be eliminated or minimized and business sales can be relatively painless.***

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**NEXT ISSUE**

challenges of things like Covid and other impactful events. Life, and Business goes on. If you are considering evaluating your business, selling or buying another, feel free to get in touch to discuss your options— no cost or obligation!

**Morgan Vaive, Vice President**  
[Morgan.vaive@zoellnergarten.com](mailto:Morgan.vaive@zoellnergarten.com)  
859-957-9657

**John W. Zoellner, President**  
[jzoellner@zoellnergarten.com](mailto:jzoellner@zoellnergarten.com)  
513-382-3797

## Losing Focus - Business Decline during The Sale Process

**[CONTACT US](#)**



**John W. Zoellner**  
**Zoellner, Garten & Co.**  
Cincinnati, Dayton OH  
513-852-2404



**James R. Sachs, Sr. Vice President**  
**Morgan Vaive, Vice President**