

April 2024

New Listings:

Client 2120 Professional Beauty Products:

For decades, the Company has created and manufactured many of the best hair care products available on the market today. They produce colors and perms – the best in the industry as verified by their long list of repeat customers/salons. The formulations are unique, and they have a number of highly desirable Registered Trademarks.

M&A on the Rise!

The reality is that businesses sell for what they are worth to the buyer. The value to the buyer depends on what he/she plans to do with the business strategically. Will the buyer step into the role that the current owner now manages? Will the buyer integrate the business with another to improve operational costs and efficiencies as well as product or service offerings?

We are contacted by buyers of all types on a daily basis. These buyers range from individuals, strategic buyers, Private Equity Groups, Family Offices, and Capital Investment firms. They all have the same goal, to acquire a business.

Higher interest rates, inflation, the economic things we read and hear about, are not slowing the sale and purchase of businesses.

Whether you are a business owner that may consider selling or a business buyer – it's always a good time to explore, especially right now!

Contact Us!

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Buying a Business Opportunity, Risk & Planning

When a business sells there is always opportunity and risk aspects of the transaction to consider. For new buyers it's totally different as they are making a life-altering decision to become a business owner. Yes, they want to know about the business and its history as well as how it's performing today. That is important, but if they don't see the opportunity in owning it, they won't make the acquisition.

There are a lot of questions that a buyer will typically ask regarding an acquisition; Why is the business successful? Does the business have quality products? Is production efficient? Who are competitors? Does the business have loyal customers, valued vendors, and solid employees? What about Assets and the facility? And another important consideration for the buyer is to envision their role after the acquisition. What will it be? How will the role of the departing owner(s) be replaced?

One significant area of importance in the Risk category is funding the purchase. Is financing required? If so, personal guarantees are almost a certainty. A mortgage on the buyer's home is often required by lenders. Does that work for the buyer and their family?

For business owners, if any portion of the purchase price is financed by the owners, is the buyer qualified to operate the business. If it is a good business and the buyer is capable, the risk is reduced, but it must be evaluated and accepted.

Buyers need to have a specific plan for the business after they acquire it. Important topics to focus on Revenue Growth, generating more Net Income, and evaluating Cash Flow to cover Debt and for growth. Other considerations are the transition from the seller to the buyer and the seller conveying critical information. What are Capital Expenditures for the next few years? Is there capacity for growth? Are the customers "too" loyal to the seller versus loyal to the business? Are the employees well trained and fairly compensated? Are vendor relationships solid and managed?

Whether you own a business and are considering selling, or you are a buyer looking to own a business, we would love to hear from you and discuss what you hope to accomplish. Please get in touch, there is no obligation and hopefully there will be a benefit.