



TOLES, TEMPLE
& WRIGHT, INC.
Real Estate

Selling / Buying a Business

A How-To & Overview of Business Brokerage

SAM NAFF

Scenario:

At some point in the future,
every business owner will leave
their business.



Intention:

The exit will be an enjoyable
experience — with
no surprises.



Motivation:

RETIREMENT

NEW VENTURE



Did you know?

*Your business could be a valuable asset
and supplement retirement funds
or provide capital for
another investment!*



WORDS OF WISDOM

*Run your business every day
as if it were for sale.*





Types of Buyers:

OWNER-OPERATORS

INVESTORS

STRATEGIC ACQUISITIONS

Prep Work

Before Looking for a Buyer



ESTABLISH A LISTING PRICE

Using at least one of the following:

- Business Broker's Opinion of Value
- CPA Valuation
- Professional Business Appraiser Valuation



TALK TO THE PROFESSIONAL(S)

In addition to your business broker, consult with:

- CPA
- Attorney
- Financial Advisor





CERTIFIED PUBLIC ACCOUNTANT

- Have accurate internal financial records that date back 3+ years.
- Report all gross revenue.
- Avoid any unreported income!

WORDS OF WISDOM

*Keep your year-over-year
revenue growing.*





ATTORNEY

- Review the purchase & sale agreement.
- Advise you on wills, articles of incorporation, succession planning, etc.



FINANCIAL ADVISOR

- Determine if you can afford to retire on the net proceeds of the sale.

WORDS OF WISDOM

Avoid getting burned out!



Questions You Should Be Able to Answer

If the Buyer Asks



POSSIBLE QUESTIONS

- Why do you want to sell?
- Is any owner-financing available?
- Explanation of year-to-year irregularities on the P&L
- Is the property included?
- If not, what will the lease look like?
- If you are a tenant, is the lease transferable?
- What is the growth potential of the business?



POSSIBLE QUESTIONS

- Will the key management employees stay on?
- What is the employee turnover like?
- Age of the equipment?
- Existence of obsolete inventory?
- Customer concentration
- Does any one customer account for more than 10% of your revenue?
- Recurring revenue
- Is your revenue from annual contracts or individual sales?



Tips & Key Points

As You Consider Next Steps



HELPFUL TO REMEMBER

- Maximize your profit margins.
- Know which products yield the best results.
- Avoid any unreported income.
- Keep your year-over-year revenue growing.
- Keep inventory at a reasonable level. If it is too high, buyers may not like the higher price of acquisition.
- Manage debt so it doesn't eat up your proceeds from the sale.



HELPFUL TO REMEMBER

- Your business will be more attractive if you sell more than one thing, in case that one thing goes out of favor.
- Report labor expense accurately: **W2 & 1099** *contract labor*
- Be careful about workers that are paid in cash.
- Your federal tax return is most important for an SBA loan.
- Consult with your CPA about your tax liability from the sale.
- Maintain the appearance of your business.
- Look well-organized.



Let's Connect



Sam Naff

Business Broker / REALTOR

770.893.8015 | 706.291.0202

snaff.broker@gmail.com

Toles, Temple & Wright, Inc.

611 Turner McCall Blvd.
Rome, GA 30165

www.TolesTemple.com/businessbrokerage

