

## TOP 10 BARRIERS TO SELLING YOUR BUSINESS PROFITABLY

- ◆ Wait too long to sale the business
- ◆ Business is priced using guesswork or a simple formula
- ◆ Seller stops pursuing new business
- ◆ Customers find out and go elsewhere
- ◆ Financials are not orderly, open, nor communicated well
- ◆ Seller tries to negotiate price with buyer
- ◆ Seller tries to hide the weak spots and past mistakes
- ◆ Employees aren't considered "part of the package"
- ◆ Inventory isn't catalogued and priced
- ◆ Seller takes what the buyer says personally

## WE OFFER THE FOLLOWING PROFIT MAXIMIZATION SERVICES

- ◆ Business Ownership Transition
  - Fair Market Business Value
  - Sale Price Maximization
  - Sale of Business
- ◆ Business Acquisition
  - Strategic Acquisition Plan
  - Due Diligence
  - Transaction Negotiation
- ◆ Merger Management
  - Conflict Management
  - Transition Planning & Management
  - Cultural Integration
  - Maximization of Customer Retention

## VIRGINIA K. ALTMAN

Virginia K. Altman, CEO and principal, has been a trusted counselor to organizations for 27 years; 18 of them as a change management consultant to Fortune 500 companies, and as an owner of and consultant to small to mid-sized businesses.

Her consulting career first took wing under Dr. Edward Deming, where she applied his methodologies in Team Building, Total Quality Management, and Just-In-Time Manufacturing to overcome the challenge of the Japanese invasion of the American automotive industry.

Since then, she has earned her Masters in Public Management from Carnegie Mellon University, is completing her Business Intermediary Certification through International Business Brokers Association, and is a professor of business management at St. Vincent College's McKenna School of Business.

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# Sell Your Business...

# Profitably



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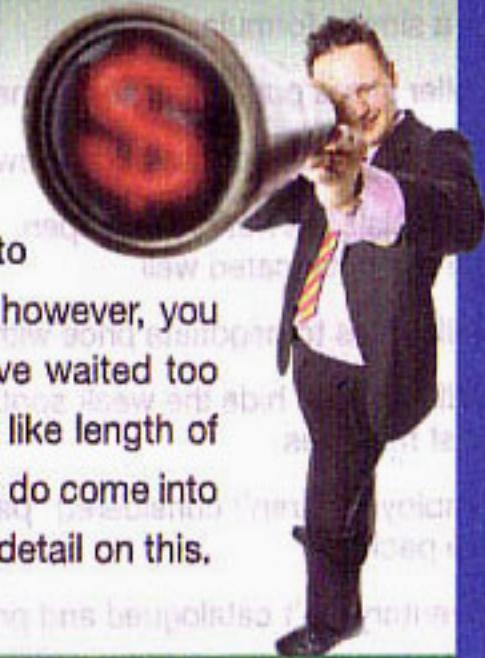
Profitable Transitions

## SELL YOUR BUSINESS PROFITABLY

The biggest question there is when you are thinking about selling your business...  
"How much money can I get for my business?"

One of the most important factors is Available Cash Flow (ACF). Generally speaking, ACF is the driver of the price of the business. ACF is different than profit, but it does speak to: How much money is left over when the essential business expenses are paid? And a lot of the price depends on what's happening in your industry. For example, if there has been a major new technology introduced in your industry (such as internet sales), a business with poor ACF may be able to get a good price IF

the sale is timed right. If you have adopted the new technology successfully, you may be able to do a strategic sale that is highly profitable. If, however, you have not adopted the new technology and have waited too long, it may be time to liquidate. Other factors like length of time in business and the economic environment do come into play. Your business valuator will give you more detail on this.



### HOW DO YOU MARKET A BUSINESS?



There are multiple marketing avenues for finding qualified buyers for a business. Which avenues are used depend on the size of the business, the revenue trends, the geographic market of the business, and the level of specialty the business has developed.

The most compelling sale comes from an auction approach, where multiple buyers bid against one another. This is most likely to be achieved for businesses that are going through a major industry shift (for example, Print Shop sales becoming internet-based, vs. walk-in based).

In any case, multiple approaches should be used: Internet and print advertising, networking, mailings, and plain old telemarketing.

### WHO SHOULD BE INVOLVED?



There is no question about it: The best sale comes when a team of committed professionals are working together to define the best deal structure possible. The business broker (also called a business intermediary) finds and qualifies the buyer, and negotiates the initial price and terms of the transfer of the business. After this, the broker teams with the attorney and accountant to ensure that the structure of the deal is legally sound and protects the interests of the both the buyer and seller, and the cash allocations are financially beneficial to the seller. It is amazing how much can be done by this team to increase the value of the business transaction for the seller without negotiating an additional penny that transfers hands!

*Never underestimate the value of a business broker working with a winning team!*

### WHAT IS THE MOST CRITICAL COMPONENT OF A SUCCESSFUL SALE?

Without any doubt, it is the establishment of trust between the seller and the transaction negotiator (e.g. your business intermediary) combined with the establishment of trust between the transaction negotiator and the potential buyer. There is nothing more satisfying to a business owner than transitioning their long-nurtured business to a new owner who is competent and trustworthy, and with whom a win-win deal has been negotiated. That is why the selection of a business broker/intermediary is critical. They represent you and your best interests, both short- and long-term.

*Call Altman Business Solutions today to learn more about how you can make the sale of your business a profitable transition.*