SUNBELT®
BUSINESS SALES
MERGERS & ACQUISITIONS

"Confidential Business Sales"

15 Ways for Owners to Maximize the Value of Their Business

1. Drive revenues up and, more importantly, maximize Seller's Discretionary Earnings. Secure new customers and alliances; add new products, services and channels of distribution.
2. Diversify as much as possible and reduce customer concentration.
3. Maintain a thorough set of financial records, including timely monthly financial statements. Report all cash revenues.
4. Build and document an appropriate management organization with managers having authority as well as responsibility.
5. Create/Upgrade a high quality website – ideally with customer ability to order on line.
6. Lower costs. Negotiate better terms with suppliers and have second sources for all critical products and services. Replace under-performing employees.
7. Thoroughly understand your facility lease and renegotiate the terms and conditions if possible. Understand the lease assumption provisions and process.
8. Develop/update a comprehensive procedures manual.
9. Upgrade the HR function with accurate employee personnel files containing resumes, applications, performance reviews, I-9's, etc. Avoid "independent contractor" arrangements with persons that are really "employees."
10. Develop and document upside potential.
11. Resolve any disputes and lawsuits.
12. Attend to deferred maintenance issues. Curb appeal is very important – inside as well as outside.
13. Create a business sales team with an experienced attorney, knowledgeable CPA and an experienced business broker.
14. Learn what the tax effect will be on the sale of your company.
15. Work hard as the most important determinate of your business' value is the trend of its revenues, margins, Seller's Discretionary Earnings and, most importantly, the current year's year-to-date financial results compared to the same period of the prior year.

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