5 PROBLEMS

THAT AFFECT THE VALUE OF YOUR BUSINESS AND PREVENT YOU FROM SELLING, RETIRING, AND EXITING

AND HOW TO FIX THEM FAST

Why This Will Change Your Life When You Implement It

It is a regular occurrence in the life of a business that there will be times and circumstances that affect the vitality and viability of a business's growth and success. We were reminded recently of one such occurrence. The COVID-19 pandemic challenged business owners to seek emergency funding and scramble to implement restrictions that limited or modified business operations. There was a continuous veil of uncertainty.

Some business owners had not considered selling their businesses until now. Seeing one's thriving business and value evaporate overnight is terrifying. There were small business owners who had their businesses and financials in order and were able to qualify for financial assistance to regroup and weather the storm. For others, the circumstances were just too much so they gave into the battle, released their dreams, and shuttered their doors.

Many were on a path to sell, but the timing could not have been worse. It became decision time… should the owner stay on the path to selling even through the realization that the business is no longer worth what it was a few short months ago?

Why Listen to me?

My name is Janise Graham. I am a best-selling author and entrepreneur. I own two businesses that are focused on addressing the needs and concerns of small business owners. Over the past two decades, I have helped thousands of business owners build systems and gain peace of mind.

- My first business started as a retirement planning practice that evolved as I recognized the lack of support for business owners who wanted to make the most out of their security and the future of their business by using alternative funding mechanisms.

- The second is a coaching-based business where I provide coaching services and information to business owners seeking clarity and strategies to reach the desired outcome that would result in having the life and lifestyle of their choice.

- For more than a decade, I have worked closely with business organizations and lenders in concert with the United States Small

- Business Administration (SBA) in capacities to assist small businesses with start-up coaching, sales/scaling, marketing, lending, and succession.

The reason you are going to love this information is that it is written in a way that is easy to understand. I have found that topics surrounding business growth and value are often very technical and complex. In fact, it is usually written for other business experts and advisors and not for the business owner who needs to understand the process and proper timelines required to obtain a specific goal.

This information comes from over 20 years of working with business owners and observing them as they experience very similar problems and have a strong desire for a very different outcome.

So often, we experience a world of people promising us everything and underdelivering at our expense. It is my vision and my goal for this guide to create awareness and share some of the experiences of others so that you can avoid some of the pitfalls of not having a clear starting point and strategy.

I am the author of the best-selling book **Leaving In Style: Business Succession on Your Terms.** This is the kind of business book that you will want to pick up, grab a cup of tea, curl up on the sofa and experience the story.

Let's look at five problems that can affect the value of your business and how to fix it fast. I will share the story of Mary and Sarah, two cousins who are equal partners in MAS, Inc., a small CNC machining company. Mary and Sarah took over the business from their fathers who are brothers. Both are married with children. None of the children are interested in continuing the family business. Mary and Sarah are feeling the strain of the day-to-day and the investment needed to recover from a market downturn. Both are weary but they see the business as their retirement solution. They are now ready to prepare the business to be sold in a couple of years so they can travel while they are still "young" and healthy.

The cousins were surprised to learn that there were very few people showing interest in MAS, Inc.

Some said the asking price was too high. Others said the business was too unstable. Mary and Sarah took the criticisms personally. After getting over the anger and insult, Mary and Sarah took a deeper look into some of the things they could do to bolster the value of the business.

Keep in mind, this story is to illustrate some of the common issues that can affect the value of your business that you can fix fast. This is not legal or financial advice.

01

Your Business has no Market Visibility

Mary and Sarah relied on a few loyal customers for all their business transactions. They did not see the need for a website or for any kind of official collateral or a web presence. Their fathers build the business on “handshake” deals, so they did not see the relevance of moving from using the same business philosophy. When a prospect would inquire about the business’s capabilities, the MAS team would verbally describe in vivid detail what they did and what they were capable of doing. They would send photos, references, or samples when necessary. There was simply no proof online that MAS Inc. existed.

The truth is that business brokers or advisors are going to insist on a professional marketing presence to boost the visibility and credibility of your business.

It is important to have a clear marketing strategy that illustrates the success of the business.

02

Your Financials do not tell the True Story

MAS, Inc., could show that the business had a lot of activity. The proof was in the shipping area as products were being packaged and shipped daily. The challenge was that it was not reflected in the financial statements.

Mary and Sarah retained Frank, a bookkeeper who worked with their fathers for almost 25 years. Frank handled both accounts payable and receivable and made entries as often as he could remember. Frank preferred to keep track of information on various notes and some rudimentary Excel spreadsheets. Frank has resisted using accounting software for years. He did a good job… most of the time. When he was away (which was rarely) no one could figure out how to understand his system and therefore they could not pick up where Frank left off.

The business has a lot of expenses, losses, and write-offs. Frank was not fond of large tax bills, so he encouraged Mary and Sarah to take s many losses as possible to reduce the tax consequence. This strategy created unintended consequences that included not receiving some desperately needed emergency financing.

The truth is that if you continue to reflect a loss in or lower profitability year over year to reduce your tax consequences, those same actions can reduce the perceived value of the business.

Having clear accounting and financial practices will help to support the business value now and in the future.

03

You do not Have a Strong Customer Database

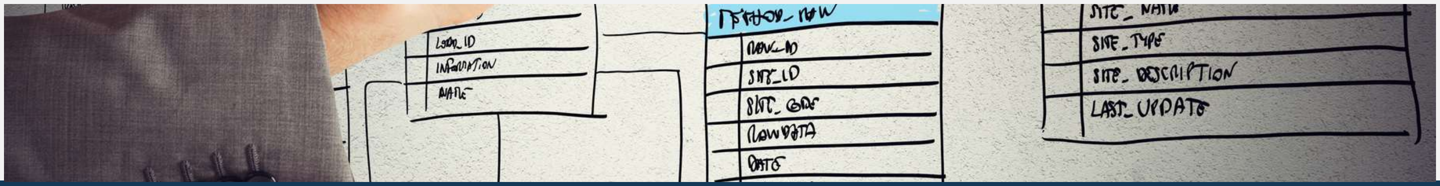
Mary and Sarah know who their top customers are. There is a team of reliable key employees who take good care of the customers resulting in “highly satisfied” endorsements.

To this point, most of the customers have been loyal to MAS Inc., It has been discovered that the customer information and interactions are currently maintained by each sales rep individually and there is no centralized customer relationship database. Will the customer's loyalty remain with MAS, Inc., or is it with the key employee? Will the loyalty extend to a new owner?

Without incenting the key employees to stay to maintain the customer relationships, the customers may be more open to giving the competition a chance to win their business. A new owner should be interested in keeping those key employees as well as having a solid understanding of the customer's demographics, geographics, and psychographics.

The truth is that your competition knows who your top employees are. They also know who your top customers are because they are calling on them with enticements, offers, and opportunities. If you do not have a solid and documented grasp of your key relationships, they are fleeting and worthless to a new owner.

The business needs to have a strategy for maintaining both loyal employees and loyal customers.



04

Your Business is Limited in Scalability and Growth

In the past, Mary and Sarah have said many times that since they were not seeking a business loan, nor planning to sell any time in the near future, they did not have a need nor a desire to create a business plan. With no historical data or clear history of past growth, The ladies struggled to argue the viability and exponential growth potential when they were testing the market for saleability.

Mary finally realized that they needed to sit down and create realistic short-term financial projections. The task has been daunting and frustrating. With no vision for future growth, MAS Inc., will continue to be overlooked or receive deeply discounted offers.

The truth is any serious buyer will want to see a long list of things pertaining to the business. A business plan is one that will show the vision and projections that may weigh heavily on their decision to make a sizable investment.
Create a business plan that shows the historical, present, and future growth and scalability of the business. Give a new business owner a sneak peek into the future and a glimmer of hope.

05

You are the Business, and the Business is you.

Mary and Sarah have engaged prospective buyers by showing that MAS, Inc. has good financials, great employees, and a bright future. There has been an uptick in interest, but for some reason, the prospective buyers engage in the process, actively work through due diligence, get "cold feet" and back out of the deal.

After experiencing this scenario several times, Sarah asked the latest prospect and business broker for some honest feedback. She was surprised to learn that most buyers could not get past the fact that the day-to-day operations of the business were in a brain trust. In other words, the cousins had documented many aspects of the business, but they had not documented the trade secrets, and how they run a successful shop on a daily, weekly, and monthly basis. Their intellectual capital was a huge missing asset which caused a barrier to entry.

The truth is that regardless of the entity structure if a prospective buyer thinks they cannot step in or have their leadership step into a seamless transition, that is cause for pause. Even if you don't want to sell your business, but simply want to increase its value, the challenge will also apply to your team of valued employees.

Should there be an unforeseen event, how can someone step in and run the business when the best most efficient strategies are in your head?

Your business may be your pride and joy, but **your business is not you.** Get every great thought, policy, procedure, and idea out of your head and into a document.

Take a look at what you have in place to scale your business over the next 5, 10, or 20 years.

Now, look at what is in place if you must leave your business either temporarily or permanently due to an unforeseen event TOMORROW.

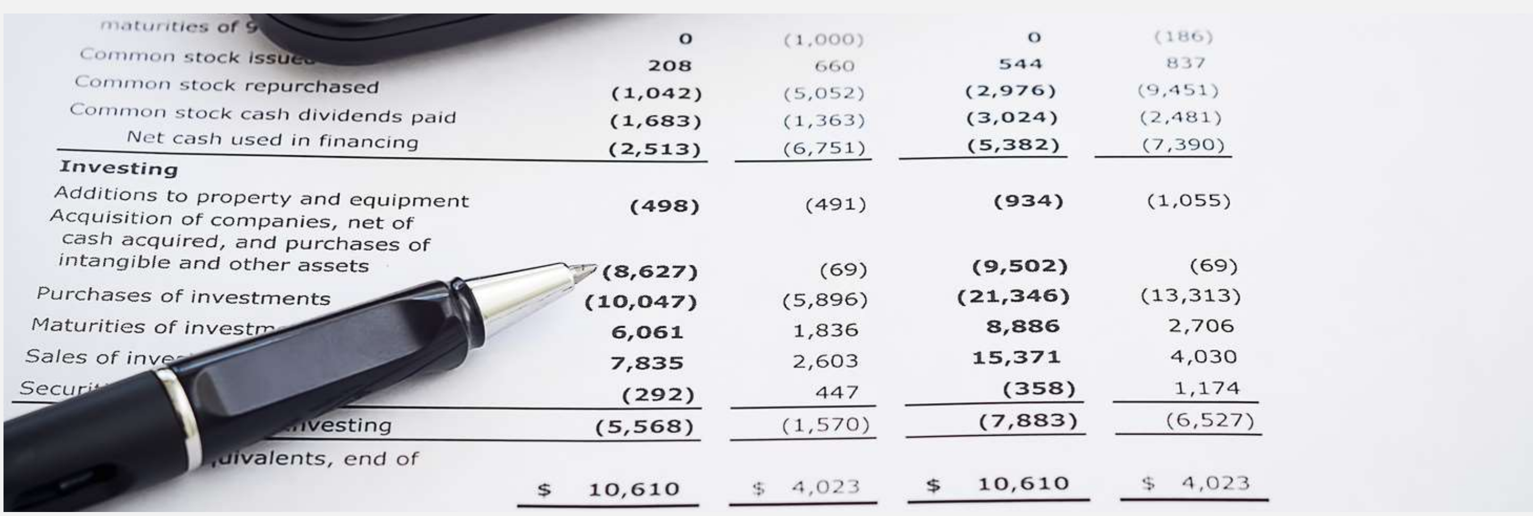
You can work through all areas of your business to ensure that all aspects are in alignment with your vision. You can do this alone, or you can get help. Either way, get started now.

Doing nothing is also an option. Take a mental inventory of the cost of doing nothing. If you decide not to build a business for your future, what is the potential cost if you lose knowledgeable employees, loyal customers, the comfort of your family, and the lifestyle of your dreams?

IF YOU HAVE BEEN STRUGGLING FOR A LONG TIME TO BUILD A BUSINESS THAT ALLOWS YOU TO REMOVE YOURSELF FROM YOUR BUSINESS SO YOU CAN SELL, RETIRE AND EXIT AND YOU ARE TIRED OF NOT HAVING LIFESTYLE CHOICES ……THIS IS FOR YOU

You will get a FREE consultation call with me and I will show you exactly how to apply strategies to increase the value of your business. As a result of the session, you can fix the problems that are currently stopping you from selling on your terms.

If you knew what was stopping you from a fair business valuation, which would allow you to sell at a fair price and then would allow you to retire or exit and pursue more of your life's dreams, then you would have already made those adjustments. The truth is you are missing key strategies that keep you missing your desired value goals.



This Consultation Call is a true value of $497. We are giving a limited amount for FREE. I do not know how long we will be doing them so if you do not book today, you may miss out.

Book today so that you can get started with strategies that are tailored to you and your business, and you can get your business on track for today and beyond.

Book Your FREE Consultation Here (Value $497)