

Business Resale Reference Guide

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Primer

Disclaimer

The information presented here is based on sources that are believed to be reliable. The information in this booklet is for your reference only. Every business is unique, thus not everything in this guide will apply directly to your business. The examples and figures are generic in nature. The information does not apply to any particular business and no financial decisions should be made based solely on this document. Just Elementary, Inc. and its agents shall not be liable for any actions taken in reliance upon this information. The information in this booklet does not take into account the investment, tax objectives, legal, or financial situation of any particular person or entity. You should obtain advice from your financial, tax, and legal advisors based on your particular situation and needs before making any financial or investment decisions. Just Elementary, Inc. and its agents presenting this material do not accept any liability for any loss whatsoever from any use of the information contained herein or otherwise arising in connection herewith.

What Type Of Business Do I Have?

Whether your business has annual sales under \$1,000,000 per year or annual sales in excess of \$10,000,000 the basic process of selling your business are similar. However, there are differences, and when appropriate these differences will be discussed throughout this document.

A main street business is generally classified as having average annual revenues under \$1,000,000. Businesses with sales over \$1,000,000 and less than \$20,000,000 are considered small businesses. Businesses with sales over \$20,000,000 are considered mid sized businesses. Just Elementary, Inc. specializes in the sale of Main Street, Small and Mid Sized businesses. There are key differences to the three categories, and they will be expanded upon where appropriate in this guide.

Planning Ahead?

Before you have made the decision to sell your business, your first move should be to contact a qualified professional business broker, who can tell where your business stands on the open market and help you with a plan to improve the value of the business with an action plan! An Action Plan will guide you to making some of the following improvements:

- ✓ Occupancy Situation, i.e. your lease and its terms.
- ✓ Staffing Structure.
- ✓ Customer Base.
- ✓ Marketing Strategies.
- ✓ Pending Market Shake Ups.
- ✓ Financial Accounting.
- ✓ Workspace set up and flow.

All of the above are critical to how valuable your business is. Attend to them thoughtfully and diligently like a plant or a pet and you will see the growth and improvement. If you are looking to sell within the next five years, call your Just Elementary, Inc. Associate to arrange a meeting. Your Just Elementary, Inc. Associate will help you analyze important facets of your business. After helping you determine what the current market value is, your Just Elementary, Inc. Associate will discuss with you the factors that influenced the results. From this an Action Plan will be developed which can result in a much higher market value in the course of Six months to a few years.

Is 2012 a good time to sell?

The reasons to consider selling your business are many. A few of the multiple factors that can motivate you to consummate to the sale of your business are retirement, a new venture, or business opportunity, family situation or simply wanting a change. In these cases you can **Plan Ahead** for the sale of your business and implement an *Exit Strategy*. Some unfortunate reasons that can lead to a rush sale are severe personal or financial problems (a divorce, death in the family, poor health, etc.), partnership disputes, shortage of capital or outright failure of the business, lack of heirs to take over are some of the common events that can lead to an untimely forced sale. Also, sell definitely before you experience burnout. Burnout leads to decisions and actions that start to eat away at the quality of the business. The right time to sell is when you are ready, however, make sure to not wait until it is too late to get significant value back. Consider your health and welfare in any decision to remain in your business.

If you are in a distress sale situation, you must accept the reality that you will get less than expected for your business. The commodity that you can get back in a distress sale is **time**, if you are willing to let go early on in the process as opposed to hanging on and holding for dollars that will probably not come you will be able to recover your time and get a jump start on moving on. Most often, the longer you wait, the less you will receive in total consideration (e.g. cash, seller note, consulting agreement etc.) for your business and the time will have been spent. Instead of waiting for unfavorable conditions to force an untimely sale, be proactive and look ahead to Plan Ahead!

Things for you to consider:

- ? Is now a good time to sell?
- ? Are you committed to selling? Is the business ready?
- ? Why do you want to sell?
- ? Are you giving 100% to your business?
- ? Do you feel burnout or already burned out?
- ? Do you have solid post-sale plans?
- ? What will you do with the money from selling your business?



Think carefully about your situation. Your situation and desires together will dictate your course of action. You should also seek the advice of your tax advisor regarding possible tax implications from the sale and speak with a professional Business Broker regarding the current market price and terms for your business. Your Just Elementary, Inc. Associate can discuss your situation with you to help you find some clarity.

When you are ready to sell you should do so with some time to work with. To receive top market price, a transaction will often take six months to a year or longer. If you need to complete a sale in two to three months prepare to offer a discount from market price. Be 100% committed to selling if you want to put the business on the market. The process has a lot of uncertainty to it, and if you are not 100% committed it will lead to emotional turbulence and stress. As always, Plan Ahead!

Timing Considerations for Selling

When is the right time to sell your business? When you develop and implement an *Exit Strategy plan* you increase your ability to capture top market value for your business in the most expeditious timeframe. Often times, the longer you wait without a plan in place, the less you will receive in total consideration for your business. As always, Plan Ahead.

When to Sell

The best time to sell is when:

- ✓ Sales & Profits are trending upwards legitimately.
- ✓ The company is operating well.
- ✓ When you have time and can be patient.



When NOT to Sell

You have waited too long if...

- ✓ Earnings trending negatively.
- ✓ You “*must*” sell quickly.
- ✓ Your competitors have already passed you by.



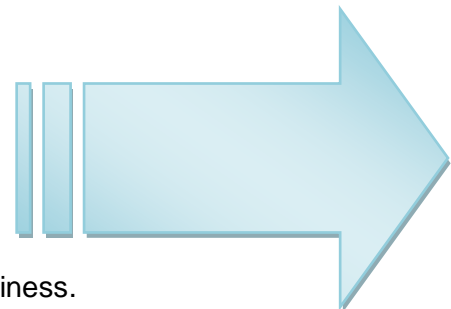
You should wait if...

- ✓ You expect sustainable revenue growth soon.
- ✓ You expect earnings to increase substantially.
- ✓ You are 100% committed to making changes to improve your business.

When to Sell Anyway

You should move on and sell anyway if:

- ✓ Sales revenue is not likely to improve significantly.
- ✓ Earnings are not likely to improve substantially.
- ✓ Competition is growing stronger.
- ✓ You have lost the desire and willingness to improve the business.
- ✓ You are concerned about your Health and welfare and a successor is not in place.



Planning Ahead! Have an Exit Strategy

If you aren't ready to sell just yet and intend to sell in the next few years, then Just Elementary, Inc. can help you formulate an *Exit Strategy*. An *Exit Strategy* is an action plan to place your business in the best possible light to maximize the market value. A good action plan will improve your business now and in the future when you are ready to sell. An *Exit Strategy* takes considerable time and energy to successfully implement. You should allow at least a year for a well run business with good financial performance and it could take two to five years to fully implement an *Exit Strategy* and realize the increase in value for businesses that are underperforming financially or have other problems.

As we will discuss later, the primary driver for business value is DE (Seller's Discretionary Earnings) over the last Three (3) years. A key component to your *Exit Strategy* is planning to create a sustainable track record of a minimum of three years.

An *Exit Strategy* will:

- ✓ Increase the terms (cash, seller note and other considerations) you realize when you sell.
- ✓ Increase the pool of qualified buyers to purchase your business which reduces your time on market.
- ✓ Increase the ability of the business to qualify for an SBA loan which reduces the need for Seller Financing.
- ✓ Help you with the Tax bite through a structured sale and advance planning with a tax advisor.

Where to channel your time and energy:

- ✓ Maximize earnings, DE, for 2 to 3 years prior to your planned sale.
 - Every extra **dollar** of DE could yield you an additional **\$1 to \$4** on the sales price.
 - Every **dollar** of decline in DE can shave **\$1 to \$4** or more from your selling price.
- ✓ Growth – buyers feel comfortable investing their hard earned money in business with good growth history and prospects.
- ✓ Tidy your facilities: Organize the office & building, make a good first impression.
- ✓ Your financial records (books & records) determine the value of your business, the value or amount of an SBA loan for the business, and ultimately may determine whether your business is sellable or not.
 - Report all of your revenues.
 - Report all of your expenses with good documentation.
 - Keep the Cost Of Goods paperwork in good order.
- ✓ Infrastructure & Systems are critical to making your business appealing to buyers by making the transition process easier. Buyers are concerned about their ability to replace you without significant adverse affects on revenue and profits.
 - Managers, Supervisors, Leads – reliable & capable of running day to day business.
 - Systems, procedures, documentation, training.
 - Vendor/Supplier agreements – must be transferable, documented, and stable.

How do I minimize my taxes?

- ✓ Your tax advisor should work hand in hand with a Business Broker to understand the market and timing to create a tax strategy. How you structure the sale and terms are critical to your desired results. Arm yourself with knowledge to avoid being caught blindsided.
- ✓ Keep your mind open so you can explore all strategies that can be at your disposal.

First steps to developing an Exit Strategy:

Meet with your Just Elementary, Inc. Associate to review where you stand now and what you need to focus on to optimize your business and prepare it for sale.

How Do I Know What My Business is Worth?

Determining the value of a business is often a complex task and is best done by either a professional Business Broker or a qualified business valuation analyst or appraiser. The cause of this is that many factors weigh on the ultimate marketability of every business. Before one can determine the market value of a business, the financials (profit & loss statement or P&Ls, and tax returns) must be recast to reflect the earning power of the business.

Recast financial statements provide buyers with an understanding of the health of a business. This allows them to determine if the numbers make sense for their situation. Your Just Elementary, Inc. Associate will work with you to recast the financials and prepare a market value analysis to determine the market value of your business.

What is DE?

DE (Discretionary Earnings) is a measure of the total financial benefit accruing to the owner of a business. DE is generally defined as the Operating Income (Pre Tax Profit) of the business **PLUS** the following five addbacks:

- + ***Depreciation & Amortization***
- + ***Interest Expense***
- + ***Owner's Compensation (Of One Owner Only, if more than one operating partner)***
- + ***Owner's perks (discretionary expenses)***
- + ***Non-recurring or one time expenses (Section 179)***

What about those Third Party Valuation Companies that Charge a lot of Money?

***Be careful of SCAM operations that charge you a lot upfront and give you a valuation that is false and misleading.

There are three legitimate reasons to have an independent third party Business Valuation commissioned for your business. One reason is to legitimize the asking price for buyers, especially when asking Top Dollar. A second reason is to help your business qualify for an SBA loan. The third reason is to give you peace of mind that you are not leaving any money on the table. Not every business needs a third party valuation, so make sure you have a justified reason for commissioning a third party valuation.

Instances that call for a 3rd party Business Valuation:

- ✓ Businesses with revenues over \$2 million.
- ✓ Businesses/industries where a high earnings multiples (high value or premium) are involved.
- ✓ A divorce or partnership dispute is involved.
- ✓ Valuation for a trust or ESOP.

Benefits of a 3rd party Business Valuation:

- ✓ Preserves the selling price, a small investment can add tens of thousands of dollars!
- ✓ Simplifies and eases negotiations and the sale of the business.
- ✓ Gives buyers confidence in the business and the price/value of the business.

Pricing Multiples

Is it a Two (2) Multiplier?

There is a perception that all businesses sell for a multiple of Two (2). The question is two (2) times what? Is it 2 X EBITDA, 2 X net profit, 2 X DE (Seller's Discretionary Earnings), 2 X earnings plus assets, 2 X DE plus inventory? The list could go on and on, and that is exactly why it is a myth that all businesses sell for 2 X anything. There is not a single answer for what businesses sell for. There is a wide range of multiples for businesses that vary based on the industry, size of the business, amount of earnings, and even the quality of the business itself. To shed some light on this topic, the overall average multiple of DE (Seller's Discretionary Earnings) for small businesses sold over the last several years is between 2.1 and 2.3 X DE plus inventory. But, this is the overall average of ALL business in the United States. This means that some business sell at a One (1x) times or less multiple while others sell for Three (3x) times multiplier or higher.

Which Multiple Applies to your Business?

There are many different multiples, such as X DE, X EBITDA, X EBIT (less common), X% of gross sales (used for many "cash businesses or as a quick reality or common sense check), and then variations of these where inventory or assets may be added.

For example, since DE (Seller's Discretionary Earnings) is typically much higher than EBITDA (Earnings Before Interest Taxes Depreciation & Amortization), DE multiples are significantly lower (typically 1-3) than EBITDA multiples (typically 3-5) for the same businesses. An DE is typically a higher figure than the EBITDA for the same business, hence higher multipliers are used on EBITDA. The key to this discussion is the difference in EBITDA for your business and the DE. The recasted financials will help discern the difference between your DE and EBITDA. An EBITDA does not factor in many small business perks and has additional payroll to factor in manager to replace you, the seller.

A few examples

The most commonly used earnings multiple for small businesses is X DE (Seller's Discretionary Earnings). Earnings multiples vary by industry and by earnings level. For example a small Distribution/Wholesale business with DE of less than \$100,000 may sell for a multiple in the range of 1 X to 1.5 X DE, while a larger company in the same business with DE over \$500,000 may sell for a multiple of 3 X to 3.5 X DE or more. Keep in mind that DE multiples typically do not include inventory. For example, a business may be priced at 2.5 X DE plus inventory.

Typical ranges for DE multiples are from 1 to 2 X for retail businesses, 1.5 to 3 X for service businesses, and between 2 to 4 X for manufacturing businesses. The multiple for a particular business is determined by the size and quality of the business, income level (higher earnings = higher multiple/value), and the industry segment. Multiples are a handy yardstick to compare the value of one business to another and as such there is no single "right" answer for what the multiple should be.

So what is my company worth?

The market value of a company requires careful review of the company's financial performance, the industry, and the company itself. The first step is to determine the DE (Seller's Discretionary Earnings) for your company. Your Just Elementary, Inc. Associate can review and recast your company's financials to determine the DE, and provide you with a market value analysis for your business.

Financing the transaction

The most important factor buyers consider in the purchase of a business is cash flow. Buyers will buy a business to make a living and get a reasonable return on their financial investment. Financing substantially increases a buyer's cash flow while lowering their up-front investment. This is the principle of leverage which is key to good investing. Hence, financing is a critical factor in successfully selling a business and can actually result in a higher selling price.

The table below shows why all cash deals rarely occur and don't make sense for most buyers. A buyer can double or even triple their net earnings after debt service by using debt (financing) to leverage their investment. Financing offers sellers many benefits including tax considerations, on-going cash flow etc.

Advantages of Financing:

- ✓ You get cash at closing from buyer down payment and bank loan cash.
- ✓ Buyer's net after debt service is substantially higher with the same or less down payment.
- ✓ Buyer can buy a larger business, pay more for it (higher multiple), with less cash.
- ✓ Business pays off the debt from operating income.

The table below shows the advantage of debt financing.

For this example a down payment of \$100,000 maximum was used. DE is Seller's Discretionary Earnings, for an explanation of DE see DE discussed in this guide. Note that the buyer actually has slightly lower down payment and double or even triple the net earnings after debt service if financing is available.

		<i>All Cash</i>		<i>SBA Loan</i>		<i>SBA + Note</i>	
Gross Sales		\$350,000		\$600,000		\$1,000,000	
Gross Sales Multiple		29%		63%		63%	
Net Profit		\$10,000		\$25,000		\$50,000	
DE		\$50,000		\$150,000		\$250,000	
DE Multiple		2.00		2.50		2.50	
Purchase Price		\$100,000		\$375,000		\$625,000	
Down Payment		\$100,000		\$93,750		\$93,750	
Seller Note	0%	\$0	0%	\$0	10%	\$62,500	
Interest	8.0%		8.0%		8.0%		
Term	60		60		60		
Seller Note Payment		\$0.00		\$0.00		-\$1,267.27	
SBA Loan	0%	\$0.00	75%	\$281,250.00	75%	\$468,750.00	
Interest	7.0%		7.0%		7.0%		
Term	120		120		120		
SBA Loan Payment		\$0.00		-\$3,265.55		-\$5,442.58	
Total Debt Service	Month	\$0.00	Month	-\$3,265.55	Month	-\$6,709.86	
	Annual	\$0.00	Annual	-\$39,186.61	Annual	-\$80,518.32	
Net After Debt Service		\$50,000.00		\$110,813.39		\$169,481.68	
Ratios							
ROI		50%		40%		40%	
ROI after debt		50%		30%		27%	
ROE		50%		118%		181%	
Debt Service Cvr %		0%		26%		32%	

Bank Financing (SBA)

SBA financing offers buyers and sellers an alternative to seller notes. An SBA loan can lead to a lower down payment and lower debt service for the buyer, which translates into more net income for the buyer. Both of these factors can make your business more attractive to buyers.

SBA Financing benefits:

- ✓ Minimizes the need for a seller note.
- ✓ Lower Down Payment increases the pool of qualified buyers, which speeds up your sale.
- ✓ Lower Debt Service – higher net income for buyers makes your business more attractive.
- ✓ All of the above can lead to a quicker sale and often a better selling price.

How much will the SBA finance?

An SBA 7a Loan will finance up to \$2,000,000 for the purchase of a business based on:

- ✓ The cash flow from the business as reflected on the tax returns for the last 3 years.
- ✓ Owner's salary is added back as well as some other expenses.
- ✓ Depreciation, Amortization, and Interest are added back.
- ✓ Maximum loan amount is 75% of the SBA project value (based on the above).
- ✓ Typical loan term for the buyer is 10 years.

If the business acquisition involves real estate then an SBA 504 loan would be used. An SBA 504 loan has a maximum value of \$7,500,000 based on the same criteria as above and the real estate value.

Note for M&A deals (deals over \$2 million):

Presently SBA 7a loans have a cap of \$2 million. Transactions over this amount require alternative financing and often require a seller note as part of the financing package. Your Just Elementary, Inc. Associate can help you structure the deal and examine financing alternatives.

Why is Seller Financing Important to the Sale of My Business?

Not all businesses will fit into the typical criteria for an SBA loan. There are steps you can take with your Just Elementary, Inc. associate to maximize the potential of your business to qualify. The main factor is creating a solid track record with good books & records. All cash purchases do not materialize frequently. This is because they don't make economic sense for buyers when top dollar is being asked for the business. SBA loans provide an excellent means of financing for both buyers and sellers, **if** the business qualifies. SBA loans require a typical down payment of 25% which is fairly attractive. If a Seller note of 10% of the transaction value is offered, the buyer now only needs a 15% down payment and you will still receive 90% cash at closing. The benefit of offering a note increases the number of qualified buyers which facilitates realizing your goals. If your business can not qualify for an SBA Loan, the only remaining alternative is for you as the Seller to finance the Buyer!

Buyers are reluctant to pay cash for a business, because, if the business is really all that it's "advertised" to be, it should pay for itself. Buyers often interpret the seller's insistence on all cash as a lack of confidence in the business, or perhaps they are hiding something, or both.

The buyer's interpretation has some basis in fact. The primary reason sellers shy away from offering terms is their fear that the buyer will fail. If the buyer should cease payments, for any reason, the seller would be forced either to take back the business or forfeit the balance of the note.

While these concerns are understandable, one should consider the fact that if an SBA loan is not

available, the business may not be sellable without a seller note. Statistics show that sellers receive a significantly higher purchase price if they decide to accept terms and the business is more likely to be successfully sold. Surveys have shown that sellers who ask for cash receive, on average, only 70 percent of their asking price, while sellers who accept terms typically receive 86 percent of their asking price. In many cases, businesses that are listed for all cash just don't sell. This 16 percent difference on a business listed for \$150,000, meaning that the seller who is willing to accept terms will receive approximately \$24,000 more than the seller who is asking for all cash.

With reasonable terms the chances of selling increase dramatically, and the time period from listing to sale greatly decreases. Most sellers are unaware of how much interest they can generate by financing the sale of their business. What's more, seller financing tells the buyer that the seller is confident about the ability of the business to retire its own debt (pay for itself).

Even with these compelling reasons to accept terms, sellers may still be reluctant. Selling a business can be perceived as a once-in-a-lifetime opportunity to hit the cash jackpot. Therefore, it is important to note that seller financing has advantages that, in many instances, far outweigh the immediate satisfaction of cash-in-hand.

- ✓ Seller financing greatly increases the chances that the business will sell.
- ✓ The seller offering terms usually commands a higher price.
- ✓ The interest on a seller-financed deal will add significantly to the total seller proceeds. For example, a seller carry-back note at eight percent carried over nine years will double the amount carried. Over a nine-year period, \$100,000 at eight percent will result in the seller receiving \$200,000.
- ✓ Sellers can get a much higher rate from a buyer than they can get from financial institutions.
- ✓ The tax consequences of carrying a seller note can be much more advantageous than those of an all-cash sale.

Obviously, there are no guarantees that the buyer will be successful in operating the business. However, it is well to note that, in most transactions, buyers are putting a substantial amount of personal cash on the line, in many cases, their entire capital. Although this investment doesn't ensure success, it does mean that the buyer will work hard to support such a commitment.

As we discussed in the beginning of this section, there is one exception to all of the above. Cash deals do occur more frequently for very small transactions for "Main Street" businesses. This is due to the fact that these are typically small transactions where the books & records and reported earnings will not qualify for an SBA loan. In general, these transactions are frequently cash if they are very small and if they exceed \$100,000 they usually involve a seller note.

There are many ways to structure the seller-financed sale that make sense for both buyer and seller. Deal financing is an area where your JUST ELEMENTARY, INC. professional can be of help. He or she can recommend a variety of payment plans that, in many cases, can mean the difference between a successful transaction and a lost opportunity. Serious sellers owe it to themselves to consider financing the sale. By lending a helping hand to buyers, they will, in most cases, be helping themselves as well.

What Buyers Want

It's natural for you to be most concerned with your own needs, but it's also important to understand the wants and concerns of buyers. Understanding the buyer's perspective and needs allows you to prepare for their questions and puts you in a better position for a successful sale.

1. Clean and Accurate Financial Records.

Buyers want proof of the sales and profits that the business has made in the past.

2. Reasonable Price and Terms.

Businesses that are priced above Market Price lost attention from buyers to other businesses that are priced competitively

3. Financial Leverage.

Buyers can double or even triple their net after debt service by leveraging the investment with financing. Smart buyers will want to use financial leverage to maximize their ROI and their income with a minimum upfront investment. Page 12, 'Financing the Transaction' explains why.

4. DE – Seller's Discretionary Earnings.

Your Just Elementary, Inc. Associate will work with you to re-cast your financials to reflect the actual DE from the business. Buyers want to know if their profits and perks of the business are enough for them to consummate a purchase.

5. Condition of the Furniture, Fixtures & Equipment (FF&E).

Buyers will want a complete list of your equipment and will inspect it to ensure that everything is in good working order.

6. Lease.

Any buyer will want a good lease (whether your existing lease is assigned or a new lease is written). Businesses without favorable lease terms will be drastically discounted on the open market when it comes to Market Pricing.

7. Training.

You are the expert, and you need to offer sufficient training to a buyer. This is a key factor in your control to make the business more appealing to buyers.

8. Appearance.

Organized looking businesses sell first! Buyers are turned off by businesses that are disorganized and not in tidy or orderly condition. Keep your business neat, clean and in good repair to keep the appeal to the buyer alive and burning.

9. Covenant not to compete.

Buyers are afraid you may go into competition with them and take all their customers. A promise not to compete with an appropriate distance and time is normal for many businesses. This may also provide tax advantages for both buyer and seller.

10. A good reason for sale.

Buyers are always concerned about this. They are afraid you may be selling because of some undisclosed fact which may hurt the business in the future. Buyers must see a logical reason for sale - without it they will assume the worst! Be very candid about your entire situation.

11. Time is of the essence.

Buyers are often looking at more than one business when they make an offer. A buyer's offer can be withdrawn any time until it is accepted and delivered back to the buyer. If you don't respond in a reasonable time, the buyer may lose interest in your business and move on to another.

12. No surprises.

Surprises will scare away any buyer. Disclose everything upfront to expedite a transaction and minimize disruptions and roadblocks. Be candid with your Just Elementary, Inc. agent about your business and your situation.

- ✓ Any pending changes in earnings or revenue?
- ✓ Are you behind in tax payments?
- ✓ Are there any problems with the landlord or lease?
- ✓ Are there any loans or liens against the business?
- ✓ Are there equipment leases?
- ✓ Any loss of major customers?
- ✓ Are you in compliance with zoning, health and other regulations?
- ✓ Are you behind in payments to Vendors?
- ✓ Are you behind in delivering to your customers?
- ✓ Is there any litigation pending?

Why Businesses Don't Sell

Many factors can affect the sale of a business, buyers are very careful and selective about their prospective acquisition, and consequently they are easily derailed when looking at a business.

Some of the common reasons business don't sell or are not sellable are:

- ✓ Priced at an excessively high multiple (above comparable businesses).
- ✓ Earnings won't support the asking price – there must be sufficient earnings to support the debt service for the acquisition as well as a typical buyers income needs.
- ✓ Revenue or earnings on a downward trend – distressed businesses can be sold, but generally at a discount.
- ✓ Poor books & records – earnings or revenue cannot be proven or do not match tax returns or bank statements.
- ✓ Cash – sellers insisting on “cash” for a business that cannot qualify for an SBA loan for the acquisition of the business are at a severe disadvantage.
- ✓ Highly specialized industry – typically these have a very small pool of qualified buyers.
- ✓ Unattractive industry – some industries are considered unattractive by buyers due to concerns over risks from competition, sensitivity to the economy, or foreign competition.
- ✓ “One Man Shows” – businesses that are highly dependent on the owner's special skills or contacts can be difficult to sell, as buyers will be highly concerned about their ability to replace the owner.
- ✓ Unmotivated Seller/Owner – selling a business requires a great deal of commitment on the part of the owner; ambivalent, uncommitted, or uncooperative owners are rarely successful in selling their business.

Working with a Business Broker

Your best guide for buying or selling a business isn't words on paper; it's the competent presence of a business broker. Although business brokers generally represent the seller, the buyer also reaps the benefits of expert guidance. A business broker provides vital services for both parties and acts as the "glue" for holding together the pieces of the business sale process. Here's how a business broker will work with both the buyer and the seller:

The Business Broker and the Seller

Business brokers are the professionals who will facilitate the successful sale of your business. It is important that you understand just what professional business brokers can do -- as well as what they can't. Business brokers can help you decide how to price your business and how to structure the sale so it makes sense for you and the buyer. They can find the right buyer for your business, work with the seller and the buyer in negotiating, and coordinate every step of the way until the transaction is successfully closed. They will also help the buyer with all details of the business buying process.

A business broker is not, however, a magician who can sell an overpriced business, buyers are smart and will simply pass on overpriced businesses. Most businesses are salable if priced appropriately and the sale is structured properly. You should understand that only the marketplace can determine what a business will sell for. The amount of the down payment you are willing to accept along with the terms of the seller financing can greatly influence not only the ultimate selling price, but the success of the sale itself.

When it comes time to sell, one of the best decisions a business owner can make is to continue managing his or her business efficiently (and profitably), while depending on the services of a business broker to orchestrate the steps of the sale. To make the seller's job easier and more effective, the business broker will...

...Prepare a marketing strategy and offer advice about essential marketing tools, such as a business description memorandum; in fact, the broker will help the seller in all key aspects of presenting the business as effectively as possible. Later, the broker can also help in the structuring of the sale transaction.

...Advise the seller on pricing. The business broker is an expert in placing a realistic price on the business and incorporating intangibles; thus reducing the danger that every seller fears, underpricing the business. At the same time, the business broker can help the seller to understand that the selling price is dictated by the marketplace and the company's actual financial performance.

...Determine the right buyer for a particular business. For locating and qualifying prospective buyers, a business broker uses computerized databases to access comprehensive lists of local, national, and international buyers--all to increase the chances of selling a business at peak value.

...Present offers and point out both strengths and weaknesses. The business broker will be a vital advisor during most stages of the negotiation, bringing to "the table" objectivity as well as negotiation skills developed through years of experience in the buying and selling of businesses.

Seller Questions and Answers

Selling your business is a major decision. You have devoted your time, money, and energy to building, running and operating your business. It may well represent your life's work. If you have decided that now is the right time to sell, you will want the very best professional guidance you can

get. This is when working in tandem with a professional business broker can make the difference between just getting rid of the business and selling it for the very best price and terms. Following are some of the most common questions asked by sellers:

1. When is the best time to sell?

The best time to sell is when a business is doing well, if you wait too long you risk a down turn and the selling price will suffer. However, almost any business can be sold, even if it is not doing too well, if the sale is handled correctly.

2. How much is my business worth?

A company's value depends on many factors - such as cash flow, asset values, financial history, condition of equipment and premises, lease attractiveness, competition, potential for improvement, location, industry type and the economy, among many others. Just Elementary, Inc. has unparalleled knowledge of real market values from selling thousands of businesses each year. By analyzing your business and comparable Just Elementary, Inc. sales in your industry, your Just Elementary, Inc. broker can advise you on proper pricing strategy for your business.

3. How long will it take to sell my business?

It generally takes, on average, six months to sell a business. Keep in mind, however, that an average is just that. The time your business is on the market will depend upon the type of business, its financial performance, price, terms, and local market conditions. Some sellers, operating under the premise that they can always come down in price, overprice their business, without realizing buyers generally refuse to look at overpriced businesses.

It has been shown that the amount of the down payment may be the key ingredient for a quick sale. A down payment between 15% to 40% percent of the asking price makes the deal very attractive to buyers and increases the pool of prospective buyers (more on this later). Offering financing does not necessarily mean the seller will have to carry a large note; SBA financing offers buyers attractive terms and sellers cash at closing (more on this later too).

4. What about marketing fee or up front fees?

There are no up front fees*, commission is paid only if your business is sold. Even the advertising is paid by Just Elementary, Inc..

5. Why not sell the business myself?

Most owners find that the frustration, expense, and time involved in selling their own business does not yield a cost savings, and more importantly, they often do not get satisfactory results. In fact, because they don't have access to a large number of qualified buyers, many owners end up selling their business for much less than they could have through a professional business broker and, find it difficult to work directly with buyers and maintain confidentiality. If a key employee or competitor learns the business is for sale, the value of the business could be damaged. Selling a business is a specialized function. Just as you wouldn't attempt to do your own legal or tax work, you should seek professional assistance when it comes to selling an asset as important as your business.

6. Why should I use Just Elementary, Inc. Business Brokers to sell my business?

We have developed a proven system for selling businesses, the full service advantages of Just Elementary, Inc..

- ✓ Maximum Exposure
- ✓ Confidentiality
- ✓ Qualified Buyers
- ✓ Follow Up
- ✓ Negotiating Power
- ✓ Advertising
- ✓ Experience
- ✓ Market Evaluations
- ✓ No Up-Front Fees*

* Unless a 3rd party business valuation or other special service is requested by the owner.

10+ Tips to Successfully Sell Your Business

1. Prepare the business to operate without you!

Set the business up to transition successfully to a new owner and management team. This is important in many ways to start now regardless if you are planning to sell now or later. A primary buyer concern is being able to reasonably fill your shoes. You can minimize this buyer concern by making the business less dependent on you. This will also have the benefit of relieving you of burden and often times results in employee morale boost as they are given more responsibility with the accompanying structure to make them and you successful. Some previous clients have found that after implementing changes to make the business less dependent on them they come to enjoy their businesses and want to keep them longer than anticipated or expected.

2. Establish a realistic price for your business.

The marketplace will ultimately determine the market price for your business. Your business will have a market price range. Where you want to be in that price range depends on your motivation and timeframe. People buy business that have potential, but do not pay extra for it, because they will pay in sweat equity and additional working capital to realize the potential. See our graph on the following page illustrating Initial Asking Price vs. Selling Price and the effect it has on the time a business is on the market; businesses with an initial asking price within 20% of the final selling price sell 27% faster than those that are priced at over 20% of the final selling price.

3. What about a Seller Note?

Seller financing is a reality that needs to be carefully considered. Due to many factors affecting the lending market, you may need to offer seller financing. The good news is that Seller financing can result in a higher sales price for your business! However, you may have concerns about being paid on your seller note. There are things you can do to minimize the need to offer seller financing. Your Just Elementary, Inc. Associate can discuss this with you to formulate an action plan to maximize your business' appeal to third party banks. Seller financing has other benefits that may fit your situation better than lump sum cash up front. An alternative to seller financing are consulting fees, license fees, royalties etc. Always consult tax specialists to review your entire situation. Your Just Elementary, Inc. Associate can give you talking points to help you better understand and work with a tax professional.

4. Update & Clean Up Your Financials.

Make sure the financials for your business are accurate, detailed, and up-to-date. Catch up on paperwork if you are behind. Good News is that Buyers do not see your full financials until due diligence begins. Also remember that buyers won't pay for what you can't reliably prove.

5. Look at Your Business from a Buyers Perspective.

You have worked hard to build your business and naturally you are proud of your accomplishment; but you must be realistic about the business' deficiencies and correct or improve what you can. Put yourself in a prospective buyer's position the next time you go to your place of business; pretend you are a buyer looking at it for the first time. How impressed are you? With this in mind make the necessary improvements.

6. Time for "Spring Cleaning."

Sell unused and obsolete equipment and inventory. Buyers will not want to pay for it and they may worry that it is getting added to the selling price if they see it lying around. This is a good time to see what else needs to be clean up or just sold off to make the best possible impression good buyers won't be looking at just your business, they will be looking at several.

7. Run your business as usual or better.

Just because you are selling, now is not the time to let the business slip. It's important that prospective buyers see your business at its best: bustling, and showing no signs of neglect. Here are a few areas to focus on:

- ✓ Keep normal operating hours and stay involved in the business. There is a tendency for sellers to relax and slow down when they put their business up for sale.
- ✓ Maintain inventory at normal levels
- ✓ Repair non-operating equipment or remove it.
- ✓ Repair signs, replace outside lights, and do a general spring cleaning for first impression purposes. Tidy the outside premises (if appropriate). Spruce up the interior as well.
- ✓ Remove items that are not included in the sale.

8. Confidentiality... keep your selling plans to yourself.

Just Elementary, Inc. understands the importance of confidentiality and it is important for you to understand this as well, confidentiality works both ways. A business broker helps by using nonspecific descriptions of the business in advertisements and profiles, requiring signed confidentiality agreements with all buyer prospects, and screening of buyer prospects. The broker will constantly stress confidentiality to the buyer prospects they show your business to. However, as the seller, you must also maintain confidentiality about the pending sale in your day-to-day business activities with customers, employees, vendors, and even your friends until the purchase agreement has been completed and accepted. Employees, suppliers, and even customers might react negatively to your "news," and you need their stability and loyalty more than ever at this crucial time. It is best to keep your plans strictly confidential, especially with regard to your employees, suppliers, and customers.

9. Get & Use Professional Advice.

Many business owners think that no one knows their business like they do, this may be true, but you still need to rely on professional advisors. You are not a business broker, accountant, and legal advisor all rolled up into one person. Use professional help and advice when necessary, but more importantly, listen to the experts.

10. The Structure of the Deal is Important.

The selling price may not be the only thing to consider. You may find that the real problem is in the details. Your Just Elementary, Inc. Associate and other advisors can consult with you on this.

For example: One of our Sellers saved over \$170,000 in taxes by following the recommendations of one of the tax advisors we work closely with and changing the deal structure.

11. Be Prepared to Negotiate Sensibly.

Don't reject an offer without giving it serious consideration and discussing it with your Just Elementary, Inc. Sales Associate. Study it closely, just because you didn't get your full asking price doesn't mean it is a bad offer or it can't be negotiated into a good one. The offer may have points that will offset the purchase price, such as higher payments or interest, a consulting agreement, more cash than you anticipated or a buyer that you are comfortable with. The right buyer may be more important than a higher price, especially if there is seller financing involved, which is often the case. If you must counter-offer, do so only on those points that are really critical to you. Be flexible and willing to negotiate reasonably, and most importantly keep things in perspective and don't sweat the small stuff.

Do's and Don'ts of Selling Your Business

Do consult a knowledgeable business broker about the value of your business.

Do use a professional Business Broker to sell your business. Your business Broker should belong to a professional organization such as the IBBA (International Business Brokers Association) and/or CABB (California Business Brokers Association). These organizations have established professional ethics and rules for their members as well as training for Business Broker members to ensure they are knowledgeable, well qualified, and observe the highest professional ethics.

Do keep good records and have them ready. A good set of books can significantly increase the chances of a successful and profitable sale and will speed the buyer's due diligence process.

Do allow sufficient time to sell your business. Selling a business is much more difficult and complex than selling a house. The time your business is on the market will depend upon the current market, the type, and size of your business. While some businesses sell quickly, you should expect up to six months and allow up to a year to complete a sale.

Do offer terms. Smart buyers (the kind you want) know that most businesses sell with terms and some type of financing. Discuss deal structures and financing terms with your Just Elementary, Inc. Associate.

Do run the business as usual or better. It is vital that your business continue to operate as usual and continues to produce the financial results shown in the business profile. If your performance slips, it will turn up during Due Diligence and either kill the deal or affect your selling price.

Do support your broker. Your broker will need your help to sell your business. Your support during buyer meetings, negotiations, Due Diligence, and escrow is absolutely essential to closing the deal. It is equally important to respond quickly to inquires, offers, and with paperwork – remember, time kills deals.

Don't wait too long to sell. The best time to sell is when business is good. Don't wait until a downturn or personal reasons force you to sell at the wrong time. Sell your business when it is performing well and sell from strength.

Don't underestimate the value of your business. Owners usually minimize profits to lower taxes, and the "bottom line" might not show the real value of your business. Your professional Business Broker can recast your financials to determine the real value of your business.

Don't overprice your business. Under-pricing will cost you money; overpricing will cost you the sale. The "I can always come down in price" attitude sounds good, but it eliminates the best buyers, your business stays on the market too long and you lose valuable time. Start at a reasonable price. Smart buyers know what a business should sell for and will pass up overpriced opportunities to focus on more reasonable ones.

Don't sell to the wrong buyer. Your competitor, supplier, or favorite employee may not be the best or right buyer, and may not be willing to pay the best price.

Don't allow early possession eager buyers will often ask if they can take over early. While this may be tempting to an eager seller, the result is nearly always a problem and sometimes can actually kill a deal. Do not allow possession or control of the business to occur until the after the close of escrow.

Carefully consider an "earn out" in some cases buyers or even a buyer's broker may recommend an "earn out" to plug a gap in the price difference between buyer and seller during negotiations. Earn outs are a bonus paid to the seller based on the business achieving specific financial goals. Earn outs must be done right, but they can be a great tool sell particular businesses.

The Transaction Process – 20 Steps to a Successful Sale

1. Initial Meeting – Introduction & Explanation

Your Just Elementary, Inc. Associate meets with you to explain how businesses are sold, how Just Elementary, Inc. can help you get the maximum value for your business, and answer your questions. During this meeting your Just Elementary, Inc. Associate will ask for a copy of your business tax returns and P&Ls (Profit & Loss Statements or “financials”), company brochures and sales material, as well as other information about your company and will interview you about your business.

2. Recast Financials & Market Value Analysis

Your Just Elementary, Inc. Associate will recast your financial statements and prepare a market value analysis. If you have decided to obtain a third party business valuation your Just Elementary, Inc. Associate will prepare the business outline and financial statements for submission to the Valuation Analyst and then submit the package to the Valuation Analyst.

3. Second Meeting & Decision Time...

Your Just Elementary, Inc. Associate will present and explain the recast financial statements and the market value analysis, and then it is decision time, are you ready and committed to sell your business? If so your Just Elementary, Inc. Associate will prepare a representation agreement with you and when it is completed and signed we are ready to start.

4. Documentation.

Provide your Just Elementary, Inc. Sales Associate with all the necessary documents and data required to sell your business. Details are not released to prospective buyers without your permission or a firm offer and a Confidentiality Agreement. Your Just Elementary, Inc. Associate will prepare a Confidential Business Profile, and in some cases a video interview/tour, for your business based on the data and financial information you provide.

5. Advertising.

We advertise your business to obtain the highest possible response of qualified prospects. In addition to the highly placed justelementary.com website, Just Elementary, Inc. advertises in print media and major business websites. Advertising for your business will be based on the type of business, size, and market conditions. Your confidentiality concerns are always factored into the marketing plan.

6. Buyer Qualification & Screening.

Just Elementary, Inc. Sales Associates qualify prospective buyers upfront prior to showing your business. All prospective buyers must sign a non disclosure agreement and complete a buyer profile prior to receiving any detailed information about your business. Industry statistics indicate that only 1 in 15 buyers ever buy a business, and it may take up to 36 or even more than 50 prospects to sell your business, and often over 100 inquiries.

7. Showings.

Just Elementary, Inc. Sales Associates introduce your business to qualified prospective purchasers once they have signed a non disclosure agreement. Qualified buyers receive a copy of the Confidential Business Profile for your business and will have the opportunity to view the DVD interview if available. Your Just Elementary, Inc. Associate discusses the various components and benefits of the business with the prospective buyer.

8. Buyer & Seller Meeting.

A meeting with you, the interested purchaser, and your Just Elementary, Inc. Sales Associate is set up to discuss the details of your business and give you a chance to learn more about the buyer.

9. Offer to Purchase.

We represent your interests to get the best possible offer and prepare a purchase offer with the buyer.

10. Present Offer & Explanation.

You arrive at our office where we present the offer to purchase. At that time, we give you background information on the purchaser, and the purchaser's thinking behind the offer. We explain the terms and conditions of the offer to you and your decision makers. For example, most offers are contingent upon the buyer's inspection of your financial records, “Due Diligence”. There may be other contingencies relating to lease assumption, licensing/franchise approval, obtaining financing, inventory, etc. The offer is not binding until your purchaser removes all of these contingencies.

11. Offer Acceptance or Counter Offer.

You may accept the offer as it is written, write a counteroffer, or reject it. We facilitate negotiations with the buyer to get the best possible offer and agreement.

12. Mutual Acceptance.

When both parties agree to all terms and conditions of the sale, sign all counteroffers and amendments, it then becomes a contingent Purchase Agreement.

13. Assist with Financing.

When the buyer needs assistance with leasing companies and banks, we guide the buyer to appropriate lenders.

14. Due Diligence (inspection & review).

The purchaser examines your financial records and other company data to verify the figures and confirm the business is what they understood it to be. This is a crucial point in the transaction.

15. Contingency Removal.

Your buyer removes the Due Diligence contingency and we are ready to open escrow. Other contingencies, such as lease, licensing/franchise approval, may remain open during escrow.

16. Escrow.

We work closely with the escrow officer to ensure the escrow stays on track and the closing goes as smoothly as possible. Our escrow company of choice specializes in business transfers and bulk sales and has many years of experience.

17. Note or Lien Search, Clearance, or Assumption.

Escrow checks for liens against the business and gets approvals from secured lien holders before the sale takes place. All liens must either be cleared (closed) or transferred to the buyer if this is part of the offer.

18. Lease Assignment.

We work with your landlord and the buyer to get a lease assignment or new lease satisfactory to the buyer.

19. Inventory.

We meet with you and your purchaser to take inventory (if it applies to your business). If it is a large or complex inventory it may be necessary to use an inventory service.

20. Closing.

Each party meets with the Escrow Officer to execute the final Purchase and Sale Agreement, security agreements, installment note, bill of sale, bulk sales, and other documents necessary; and pay the down payment. In some cases much of this documentation is signed in advance and the closing may be done at your business or our office.

The Buyer Meeting

A successful buyer-seller meeting is very important to a business sale. It gives the buyer a chance to get comfortable with you and the business; and it gives you a chance to check out the buyer. First impressions are VERY important, and this is especially true when selling a business. Thus, the first meeting with the buyer is critical.

In many cases your Just Elementary, Inc. Associate may prepare a DVD video interview with you and a tour of your business which will be edited and then presented to buyers as the initial Buyer – Seller meeting. This saves you many “first” meetings and we have found it presents the business in a very organized manner which is easier for buyers to follow and comprehend, as well as presenting the business in the best possible light.

To have the best meeting: Always meet a prospective buyer with a Just Elementary, Inc. associate present. Discuss the good points of your business and its potential. Explain the operation of your business and concentrate on its unique features. Allow the buyer to ask questions and answer their questions directly and honestly. Evasive, unclear, or unanswered questions may cause buyers to be suspicious and question the strength, quality, or earnings of the business and ultimately cause the buyer to have serious doubts about the business. Explain your reason for sale in a positive manner.

Brokerage fees, price and terms should never be discussed as this could damage future negotiations. Follow the lead and advice of your Just Elementary, Inc. Associate.

Selling Your Business with JUST ELEMENTARY, INC.

1. Advice

Your Just Elementary, Inc. Associate will advise you on preparing your business for sale. We share our knowledge of the marketplace and competitive business offerings with you. Your Associate will analyze your business/financial history, lease, and market comparables and then apply valuation techniques to ensure the business price and terms are appropriate for the current local market.

2. Confidentiality

One thing that you can be assured of is the sale of your business will be handled confidentially. We have safeguards and procedures in place to protect your confidentiality. We will not work with a buyer until they have been qualified and have signed a confidentiality agreement. All of our listings are strictly confidential. We take precautions to prevent your employees, customers, competitors, or suppliers from learning about your plans to sell.

3. Preparing Documentation & Confidential Business Profile

Your Just Elementary, Inc. Associate will collect all the information necessary to sell your business and prepare a Confidential Business Profile of your business highlighting its strengths and benefits. In some cases a DVD video interview with you the Seller and your Just Elementary, Inc. Associate may be made to facilitate buyer meetings off site (away from your business). In most cases, buyers do not see any of your confidential records until you have accepted their offer with an earnest money deposit.

4. Networking & JUST ELEMENTARY, INC. Synergy

Your Just Elementary, Inc. Associate will circulate your Confidential Business Profile to our other local Just Elementary, Inc. affiliates including local professional organizations such as the California Association of Business Brokers (CABB) and the Realty Investment Association of California (RIAOC). You have the strength of the Just Elementary, Inc. network behind you.

5. Advertising Exposure

We advertise your business and others like yours, to get the highest response and greatest number of prospects. We use a variety of advertising media including Websites, Just Elementary, Inc.'s Highly Placed Website, and appropriate print media. Any one of our ads could be the one that reaches the buyer for your business. The media selected for your business will depend upon the type of your business.

6. Qualifying & Screening Buyers

We sort out unqualified buyers and then go a step further with the serious and motivated buyers. Just Elementary, Inc. has developed a buyer profiling system that determines the needs, interests, and ambitions of our buyers. After discussing their needs and interests we explore businesses and opportunities. Sellers can be sure that their business will be presented to potential buyers that are the right fit, serious, and motivated.

7. Buyer's Assistance

Just Elementary, Inc. understands the diligent work required when screening and working with buyers. Just Elementary, Inc. prepares buyers to act quickly and sensibly with business opportunities such as yours. We explain what makes sense to sellers, which aids the buyer in making fair offers making the negotiation process more successful. After a purchase agreement has been accepted, Just Elementary, Inc. works with you and the buyer to successfully navigate the myriad tasks involved to completing a transaction, such as lease, special licenses, financing, escrow, and management

transition.

8. Negotiation

Just Elementary, Inc. will be facilitate contract negotiations and work with other professionals to help you put tax, legal and business issues in perspective. Your Just Elementary, Inc. Associate can be persistent with the buyer, encouraging him/her to act in a timely fashion, without implying in any way that you are anxious to sell.

9. Offers and Deal Structure

Transactions can be structured in many different ways. Just Elementary, Inc. will work with you to ensure that you have structured the transaction in a beneficial fashion for you so that your interests are protected. We prepare the offer using the appropriate documents and clauses. The offer, accompanied by an earnest money deposit and information about the buyer, will be explained to you. We will counsel you on your options of accepting, countering, or rejecting the offer and on what has to be completed before closing can take place. We will coordinate with all parties to keep the process moving to a closing in a timely manner!

10. Risk Free – No Upfront Fees *

We research your business, help you get the business ready for sale, advise you on pricing and structuring, prepare a marketing package, advertise your business, interview buyers, negotiate on your behalf and do everything necessary for a smooth sale. We do all this with no fee at all unless a buyer is found and a deal is closed.

* Except third party business valuations if required or requested by seller, see the section on Valuations in this booklet.

First Steps toward Selling Your Business

Once you have decided to sell whether it is to take advantage of a favorable market, a time when their business value is peaked, or you simply must sell at this time, you should act quickly to launch the selling process. There are important steps to be taken, and crucial decisions to be made in preparing for this all important transaction.

1. What's needed for our first meeting

Once you have made the decision to sell and/or create an Action Plan, gather the information needed to market and subsequently sell your business. Here's a list of the key items needed:

- a. Three year's profit and loss statements & Year to Date P&L (needed for first meeting)
- b. Federal income tax returns for the business (needed for first meeting)
- c. Copy of the franchise agreement (if applicable, needed for first meeting)
- d. List of fixtures and equipment (needed when representation agreement is signed)
- e. The lease and any lease-related documents (needed when representation agreement signed)
- f. List of loans against the business with amounts and payment schedule (needed when representation agreement is signed)
- g. Copies of any equipment leases (needed when representation agreement is signed)
- h. An approximate amount of the inventory on hand (needed when representation agreement)
- i. Names of outside advisors (needed when representation agreement is signed)

2. Initial Meeting – Introduction, Discussion, & Explanation

Your Just Elementary, Inc. Associate meets with you to explain how businesses are sold, how Just Elementary, Inc. can help you get the maximum value for your business, and answer your questions.

During this meeting your Just Elementary, Inc. Associate will ask for a copy of your business tax returns and P&Ls (Profit & Loss Statements or “financials”), company brochures and sales material, as well as other information about your company and will ask you to tell him or her about your business.

3. Recast Financials & Market Value Analysis

Your Just Elementary, Inc. Associate will recast your financial statements and prepare a market value analysis. If you have decided to obtain a third party business valuation your Just Elementary, Inc. Associate will prepare the business outline and financial statements for submission to the Valuation Analyst and then submit the package to the Valuation Analyst.

4. Second Meeting & Decision Time...

Your Just Elementary, Inc. Associate will present and explain the recast financial statements and the market value analysis. With this an action plan to position your business in the best light can be formulated. If you are satisfied and ready to sell, then your Just Elementary, Inc. Associate will prepare a representation agreement and once signed by you can begin to prepare placing the business on the market.

Sellers benefit many times over from the guidance of a professional business broker. The business broker who lists a business for sale represents the seller and works toward completing the transaction in a reasonable amount of time at price and terms acceptable to the seller. The broker will also present and assess offers, and, at the appropriate juncture, he or she can also help in structuring the sale transaction itself. The broker and seller become a team, involved in a relationship of mutual trust, with the common goal being the successful sale of the business.

For More Information

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