



FRESH WATER VENTURES
TRANSITION CAPITAL

WHAT TO EXPECT WHEN YOU ARE PLANNING TO SELL YOUR BUSINESS IN THE NEXT 3-5 YEARS



TODAYS PANEL

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HOW DO I TAKE MY BUSINESS TO MARKET?

01

Forming Your Team

(Attorney, Accountant, Banker, Broker/Advisor and more)

02

Understanding the Process of Selling Your Business

03

Understanding the Types of Buyers for Your Business

04

Realities in Today's Market and Pitfalls to Avoid

THE NEED FOR HELP

WHY 90% of Listings Never Sell

There is absolutely no rationale to

- The Asking Price
- The Financial Information
- Details about the Business
- The Terminology

THE PROCESS OF SELLING YOUR BUSINESS

- **Building a Sellable Business / Preparing to Sell**
- **Listing, Marketing, Sourcing Potential Buyers**
 - Marketing Inbound / Outbound Strategies
 - Confidentiality, NDAs & Qualifying Buyers
- **Negotiations**
 - Showings, Site Visits and Soft Negotiations
 - Initial Offer / LOI
 - Deal Structure vs. Price
- **Closing the Deal**
 - Due Diligence
 - Purchase Agreement and Legal Documents
 - Financing & Closing
- **Post Closing – What's Next**
 - Create Transition Success
 - Understand Tax and Legal Obligations

(2-3 years)

(1-12 months)

(1-3 months)

(1-3 months)

(6-12 months)

(1-6 months)



HOW WILL BUYERS VIEW VALUE?

Try to view from the buyers' perspective... Buyers will buy because there is great potential, however, they are not going to pay now for their future efforts



Cash Flow is King



Clean, accurate records matter



What Are The Risks



Risk mitigation with price and structure



Cover Expenses With a Reasonable ROI



Simple test (don't forget rent & salary)

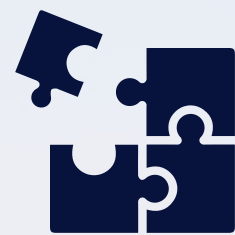


Buying an Investment / Business or a Job



Different buyer pool and expectations

UNDERSTANDING BUYERS



BE THEIR OWN
BOSS...BUYING A JOB

(INDIVIDUAL BUYER)
UNDER \$2M PRICE



LEVERAGE A BUSINESS AS AN
INVESTMENT

(INVESTOR/INVESTMENT
POOL/FAMILY OFFICE)



GROWTH THROUGH
ACQUISITION

(STRATEGIC BUYER/
PRIVATE EQUITY)



MOST BUSINESSES SELL FOR ABOUT 2-4 TIMES CASH FLOW...

- **DIFFERENT INDUSTRIES, BUSINESS STRUCTURES AND TYPES OF BUYERS WILL SUPPORT DIFFERENT VALUATIONS**
- **PRICE IS BASED ON CASH FLOW AND PERCEIVED RISKS**
- **BUYERS LIKE COMPANIES WITH POTENTIAL, BUT SELDOM PAY FOR FUTURE POTENTIAL THEY WILL HAVE TO MAKE HAPPEN**



THANK YOU

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