



SPRUCE UP YOUR BUSINESS BEFORE OFFERING IT FOR SALE

Speech Presented by John L. Nelson



NELSON CONSULTING SPEAKERS BUREAU Speaker titles/topics include:

- Impact Of The Computer On Mankind
- Nexis – From Embryo To Icon Status, Reported by the founding father of Nexis
- Twelve Crucial Q & A's Fast Track – Buying, selling & merging mid-market companies
- How To Sell Or Merge Your Mid-Market Business For Top Dollar
- Nautilus Methodology by Nelson Consulting – Buying, selling, investing & funding mid-market companies
- Spruce Up Your Business Before Offering It For Sale
- Business Valuations & Selling Multiples Made Simple
- Current State Of The Merger & Acquisition Markets

SPEAKER PROFILE Coinciding with the new Millennium, John L. Nelson formed Nelson Consulting, Inc., a Tampa, Florida Corporation with global reach. As a licensed business broker / agent & business intermediary Nelson Consulting offers merger, acquisition & investment banking services to mid-market business owners & qualified investors. With forty years experience in the information technology (IT) industry, thirty-five as a senior executive, John led a number of high-technology business ventures. Within the *Fortune 500* corporate culture, John headed up several business incubator projects; e.g., recognized as the *founding father of NEXIS* (of LEXIS / NEXIS fame). In the '80's & '90's, John led software consulting companies to international prominence & financial success. Career highlights include rapid revenue growth, high profit margins, domestic & international market expansion, merger, acquisition, private placement & initial public offering. Transaction closings exceed \$300M.



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PRESENTATION OUTLINE

1. Wisdom! Spruce up your business before offering it for sale. Schedule a session with your CPA, banker and/or a well credentialed *Business Intermediary* to discuss your historical and projected (1 to 5 years) financial statements. The typical business valuation, an estimate of the worth of your business, is based on a number of factors - some quantitative and some qualitative. EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) is a major component. Learn all you can about EDITDA, industry average selling multiples, comparable sales and fair market valuations of similar businesses. Other influences include growth, profits, cash flow, ratios, markets, management and current financial market conditions. Get ready for enlightenment.
2. Time the sale of your business to your personal advantage. For example, today's financial markets are bloated with cash set aside by premier capital and strategic buyers to fund acquisitions and mergers. However, the down turn in the financial markets has retarded M&A transaction activity, for now. Time your sale to coincide with a rising business cycle - buy low and sell high!
3. Once a year, secure an *Independent Market Valuation* to determine the current market value of your business. A few companies, such as Nelson Consulting, Inc., offer an *Independent Market Valuation* on a selective basis at no cost. Annual updates to the *Independent Market Valuation* can be extremely useful, influencing your timing.
4. Many business owners operate their companies like a personal checking account, maintaining low cash balances and minimal appreciating assets. If you really want to significantly influence the future value of your business, be prepared to modify some of your business practices, spending habits and financial management based on your advisors' recommendations. Trust me. Your payday will be significantly larger if you *change* your habits.
5. When you decide to sell, create a *Confidential Auction*, attracting multiple buyers to compete against each other to acquire your business. The probability of optimizing selling price, terms, treatment of key personnel, and payment guarantees increase in direct proportion to the number of qualified buyers a *Business Intermediary* can place at *your* negotiation table.

QUESTIONS / ANSWERS