

BUILDING PROSPERITY

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Time is something you cannot afford to lose, yet it's so easy to experience chronic drops in efficiency. In this article by L. Ron Hubbard we see what causes that

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The 4 Stages of a Business Sale

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ONE WAY TO DECIDE WHEN TO SELL

From the Value Builder System

How do you know the right time to sell your company? One answer to this age-old question is that the time to sell is when someone else is willing to invest more in your business than you are.

When you start a business, nobody is willing to invest in its success more than you. You've already worked a 40-hour week by Wednesday and, if you're like most founders, you've invested a big chunk of your liquid assets to get your business going.

You're All In

In the early days, you are willing to risk your business on a new strategy because the business is pretty much worthless. As the Bob Dylan lyric goes, "When you ain't got nothing, you got nothing to lose."

As your business grows and becomes more valuable, you may find yourself becoming more conservative, unwilling to risk the equity you have created inside your business on your next big idea. You have reached a point where someone else may be willing to risk more time and money for your business than you are.

Peach New Media

David Will is the founder of Peach New Media, which he started back in 2000 as a reseller of web conferencing. In the early days, Will changed his business strategy frequently, trying to find an idea with legs. After a number of pivots, he landed on selling learning management software to associations.

The business grew nicely and by 2015 Peach New Media had 40 employees and then received an attractive acquisition offer from a large private equity company. Will was conflicted. He loved his business and treasured the team he had built. At the same time, the acquirer was offering him a life-changing check.

In the end, Will realized that he had become somewhat more conservative as his business had grown and the potential acquirer was willing to make a big bet on integrating Peach New Media into another one of its acquisitions. Will realized he had reached a point where his appetite for risk in his own business was lower than his potential acquirer's. Will decided to sell.

When To Sell

The point where a buyer is willing to risk more than you are happens at a different stage for everyone. Let's say you have a business worth \$1 million today. Would you be willing to risk the entire thing on a new strategy for a shot at making it a \$10 million company? Many entrepreneurs would take that bet.

Now imagine you have a company worth \$10 million and your business represents the bulk of your net worth. Most would argue \$10 million is life-changing money. Would you be willing to risk your entire company for a chance to make it a \$100 million company? The marginal utility of an extra \$90 million is minimal—we all only need so many cars—but the risk is significant. Fewer owners would bet \$10 million for a chance at \$100 million.

What if your business was worth \$100 million? Would you risk it all for a long shot at becoming a billion-dollar company? It is hard to imagine any one person betting \$100 million dollars on anything, but if you're the CEO of a billion-dollar corporation with ambitious growth goals, \$100 million is a bet you may be willing to make.

When someone else is willing to invest more in your business than you are, it is probably time your company finds a new owner.



THINK YOU CAN FIGURE IT OUT ON YOUR OWN?

HERE'S WHY YOU PROBABLY WON'T

When asked why they won't work with an advisor, a business owner will sometimes say "I can do it on my own." In this video, John Warrillow provides an owner with the reasons why they should seek out an advisor like Prosperity Plus, a certified ValueBuilder.

VIEW OUR VIDEO NOW



 Certified ValueBuilder™

HEY JIM,

WHAT ARE THE TOP 5 REASONS BUSINESS OWNERS WANT TO EXIT?

Financial Gain: Many business owners look to exit their businesses to realize the financial gains they've built up over the years. This can come in the form of selling the business for a profit, receiving dividends, or cashing out their equity to fund other ventures or enjoy retirement.

Burnout and Lifestyle Change: The demands of running a business can be physically and mentally exhausting. Some business owners seek an exit to reduce stress, regain work-life balance, and pursue other interests or a more relaxed lifestyle.

Retirement: As business owners age, they often look to exit the business to retire. Selling the business or passing it on to a family member allows them to enjoy their golden years without the day-to-day responsibilities of running a company.

Change in Business Direction or Interests: Sometimes, business owners evolve and their interests change. They may want to exit their current business to pursue a new opportunity that aligns better with their passions and goals.

Market Conditions and External Factors: Economic downturns, changes in the industry, or shifts in market conditions can impact a business's profitability and prospects. Some business owners choose to exit when they see declining or uncertain future prospects to minimize their financial risks.

It's essential to note that the reasons for exiting a business can vary greatly from one owner to another, and personal circumstances, as well as business-specific factors, play a significant role in the decision-making process. Additionally, the method of exit, whether through a sale, merger, succession, or other means, can vary based on these individual factors.

A portrait of Jim Kahrs, a man with dark hair, wearing a blue button-down shirt and a dark grey blazer. He is smiling slightly and has his hands clasped in front of him.

Jim Kahrs
President
Prosperity Plus

THERE COULD BE BIG TREASURE FOR YOU IN EMPLOYEE RETENTION CREDIT

YOU MAY BE LEAVING TENS OR HUNDREDS OF
THOUSANDS OF DOLLARS ON THE TABLE.
COMPANIES OF ALL SIZES CAN QUALIFY AND
WE'VE HELPED MORE THAN 50 OF THEM OPEN UP
MILLIONS OF DOLLARS SO FAR.



**TIME'S RUNNING OUT!
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631.382.7762

JKAHRS@PROSPERITYPLUS.COM

PRODUCTION TIME, WASTE OF



written by L. RON HUBBARD

THE FIVE THINGS THAT WASTE PRODUCTION TIME ARE:



1. Doing the first action wrongly and then having to redo it. This stems from noncompliance, alteration of orders, lack of professionalism, expertise, carelessness or neglect. This accounts for the majority of lost production time.

It is cured by good planning, accurate duplication of orders and not being a robot.

2. Mishandling of material and lacking the manual dexterity and teamwork necessary to operate equipment or to perform one's duties.

This is cured by study and drill, drill, drill on the use of equipment and tools.

3. Ignoring or not studying up on existing technology.

This is cured by educating oneself on the expertise, texts and materials for one's post or job.

4. Disorganization of one's own materials or the whole organization.

This is cured by getting one's own materials in order, keeping them in order and getting one's section or department in order and keeping it in order, insisting on a decent organization chart, seeing that everybody understands it and refusing to permit bypass and refusing to accept orders that do not belong to one's job

5. Prediction, lack of, this goes into logistics but primarily operates as not knowing one's area well enough to know what will happen if one does so-and-so and such-and-such.

The cure for this is knowing one's business — his job and the technology of it. This is cured by knowing one's job well enough that one can know positively the results of his actions. One has to know what will happen if one does so-and-so and such-and-such and has to have some foresight into the future. That is no more mysterious than being able to predict what will happen if he drops a rock on his foot.

SO YOU'VE BUILT A SUCCESSFUL BUSINESS.

READY FOR THE NEXT PHASE?

Change isn't only inevitable. It's necessary. Having the right support makes all the difference. Prosperity Plus is the most respected M&A firm in the industry with more than 20 years of success in helping dealerships achieve their goals.

- Expand your business with successful acquisitions
- Create a succession/exit plan
- Get a true market valuation for your business

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The Prosperity Plus logo, featuring a green checkmark icon to the left of the text 'Prosperity Plus' in a bold, green, sans-serif font.

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