

BEST PRACTICES WEBINAR

VISION TO VALUE: CRAFTING A BUSINESS BUILT TO SELL



In This Webcast

- Introductions
- Importance of an Exit Strategy / End Game
- The Most Important Consideration
- How is Value Determined?
- What's Your Dealership Worth Today?
- How Can You Build Additional Value?
- Timing
- Questions

A promotional graphic for a Prosperity Plus webinar. It features the Prosperity Plus logo in the top right corner. The main text reads "BEST PRACTICES WEBINAR" and "VISION TO VALUE: CRAFTING A BUSINESS BUILT TO SELL". Below this is a photograph of Jim Kahrs, the presenter, standing next to a large, glowing blue upward-trending arrow. The text "Presented by Jim Kahrs" and "President, Founder - Prosperity Plus" is overlaid on the right side of the image. A vertical "PROSPERITY PLUS" logo is on the left side of the image.



BEST PRACTICES WEBINAR
VISION TO VALUE: CRAFTING A BUSINESS BUILT TO SELL

Presented by Jim Kahrs
President, Founder - Prosperity Plus

PROSPERITY PLUS

Jim Kahrs

- 38 Years in Business Systems
- Started Prosperity Plus in 2001
- Achieve Your Goals by Improving Profit, Cash Flow & Growth
- M&A, Valuations, Succession Planning
 - More than 350 individual transactions
- Marketing Programs
- Consulting based on Experience + highly successful Hubbard® Management System & Value Builder System®



Why Do We Need One?

- Continuation of the business
- How will employees be cared for?
- How will customers be cared for?
- Keep the legacy you've built alive
- Fund retirement or next phase of life



Most Importantly

What Is Your Next Game?



Poll 1

What would most appeal to you in “retirement”?

- Golf, fishing or other leisure activities
- Travel
- Volunteering/Philanthropic Pursuits
- Starting a new career in a different industry
- None of the above

What's Your Company Worth Today?

- In most cases it is your single largest asset
- It pays you compensation & profits annually
- It often provides other perks & benefits
 - Expenses paid through business
 - Family employment
 - Tax benefits
 - Flexibility & free time
 - Sense of purpose
 - Identity

Common Misconceptions

- Biggest consideration in a sale is the purchase price
- My business has little value if I'm not making a significant profit
- Selling a business is like selling real estate
- All buyers pay about the same price
- My dealership is worth more today than it will be in the future

How is Value Determined?

- Adjusted net profit/EBITDA over last few years
- Recurring revenues
- Customer/Installed base
- Employees
- Markets covered
- Vendors authorized
- Future business potential

Poll 2

How often do you look at your Adjusted EBITDA?

- Monthly
- Quarterly
- Annually
- Never have

How Value is Determined

- **Valuation Formulas**
 - Multiples of EBITDA
 - Multiples of Revenue
 - Multiples of Systems in the Field
 - Multiples of Recurring Revenue
 - Variety of Other Models
- **The Final Determination**
 - It's worth what someone is willing to pay

How Can You Increase Value and Sellability?

- Be profitable
- Build strong, profitable recurring revenue
- Improve the structure & systems
- Build a strong sales team
- Understand what makes the dealership tick
- Have professional help through the process

How Timing Works

- Trying to time the market isn't always the answer
- The timing needs to be right for the business and for you
- Be deliberate
- Selling to a 3rd party? The 3 years before a sale are the most critical
- Selling to employees, family? You will probably need more time

Summary

- Having a plan is key
- Good news – the right plan leaves all options open
- Don't worry about having a perfect plan
- Take small steps each month



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The graphic features a dark blue background with a glowing blue line graph and an upward-pointing arrow. A man in a suit is shown from the chest up, pointing towards the graph. The Prosperity Plus logo is in the top right corner, and the text 'PROSPERITY PLUS' is written vertically on the left side.

PREScore™

SO YOU'VE BUILT A SUCCESSFUL BUSINESS. NOW WHAT?

- ARE YOU REALLY READY TO EXIT?
- MANY BUSINESS OWNERS ARE UNPREPARED FOR HOW AN EXIT WILL AFFECT THEM
- A QUICK QUESTIONNAIRE ONLINE (SECURE) WILL GIVE YOU A LOOK AT YOUR OWN PERSONAL READINESS TO EXIT (PRESCORE)

GET YOUR PRESCORE TODAY



 Prosperity Plus

Next Webinar: Sept 18



BEST PRACTICES WEBINAR

LEAVING ON TOP: ANATOMY OF A SUCCESSFUL EXIT STRATEGY



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Questions?



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