

Contents

ONE

Wealth creation	2
Chapter focus	2
Introduction	2
Financial wealth accumulation plan	3
How is wealth created?	5
Why do people buy or sell a business?	7
Why you should work on selling your business	9
Summary.....	11

TWO

Business owner – Who dares wins...	14
Chapter focus	14
Introduction	15
The owner/manager profile.....	15
Risk management.....	18
Passion for profit.....	20
Improving skills	21
Making it work.....	22
Releasing the owner/manager investor within	23
Summary.....	25

THREE

Why sell? – Looking at the big picture	28
Chapter focus	28
Introduction	29
Why sell? – your future	29
Life cycles – what next?	32
The five types of wealth.....	33

The eternal entrepreneur	36
The sale proceeds.....	37
Retreat and think	38

FOUR

What is it worth? – The professional's viewpoint 42

Chapter focus	42
Introduction	43
The formula.....	43
The multiple.....	44
What multiple?.....	45
What profit?.....	48
Sale structure	49
Asset and goodwill deals versus share transfers	50
Revaluing the balance sheet (share transfers)	52
The optimum purchaser, the optimum valuation	53
Should I be selling?	55
Art not science.....	57
The valuation steps (a summary).....	58

FIVE

A buyer's guide – The good, the bad and the ugly 62

Chapter focus	62
Introduction	63
Getting started.....	63
Timing the purchase.....	64
Researching and setting your strategy.....	65
Sources of businesses.....	67
Handling the seller	69
Look for potential	70
Staff meeting	74
Due diligence checklist.....	75
Potential purchase timetable.....	78

SIX

Business planning – Mapping the way	82
Chapter focus	82
Introduction	83
Why you must write a plan	83
What should be in your plan?	85
Raising finance	88
Types of finance and terms.....	90
Planning tips.....	93
From start to finish.....	94
Business plan template	97

SEVEN

Adding value – Acorns into oaks	104
Chapter focus	104
Introduction	104
Working on and in the business	105
Adding value by the hour	106
Stand out.....	108
Create barriers to entry	109
Pre-sale grooming	110
Tips and techniques for adding value	115
Summary	116

EIGHT

Branding – The difference that makes the difference	120
Chapter focus	120
Introduction	121
Examples of branding success.....	122
Managing the brand.....	122
Vive la difference!	127
Invent a niche and market	129
Listening	132
Summary.....	133

NINE

Leader/managers – Showing the way	136
Chapter focus	136
Introduction	136
Leader/managers.....	137
Invest in and retain people.....	145
Motivating people.....	145
Build a community (culture)	146
Leader/managers in the real world.....	149
Warning signs of when leadership is lacking.....	149
Leadership on purchase	151
Leadership succession	151
Summary.....	152

TEN

How to sell – Cashing in	154
Chapter focus	154
Introduction	154
Cashing your chips in	155
How to sell.....	157
Using an intermediary and advisor to sell your business	161
Choosing an intermediary (broker/advisor).....	163
Rules for finding and managing buyers.....	167
Structure of the deal.....	171
Tax and deal structures?.....	183
The sale process – a summary	185
Where next?	190

ELEVEN

Negotiate to win – Your money or your life!	196
Chapter focus	196
Introduction	197
Negotiation game play	197
Setting your strategy	201
Objectives; yours and theirs	202
Influencing versus persuasion	202
Building rapport	203
Strategic moves	205
Strategic moves explored	211
Summary.....	212

TWELVE

In a nutshell	214
Chapter focus	214
Sample heads of terms	217
Sample basic confidentiality wording.....	222
Sample pre-due diligence questionnaire.....	223
Glossary of mergers and acquisitions terms	228
What next?	254