

OCEAN LIFE

SMART ADVICE FROM OCEAN COUNTY'S BEST IN BUSINESS

THE CHANGING WORLD
OF CONSTRUCTION P4

COULD FLYING CARS
BE FAR BEHIND? P5

DON'T BE AFRAID
TO OPEN YOUR MOUTH P7

BUYING COMMERCIAL PROPERTY IN NJ?
TAKE NOTE! P17



FALL
WINTER
2021
-2022

P18 HOW TO AVOID CYBER THIEVES
THIS HOLIDAY SEASON

P20 WHAT'S UP WITH FLOWERS?

P36 BEST BREAKFASTS

Are You Prepared for the Sale of Your Business? By Gary W. Herviou



You've worked many years to build and grow your business, with the goal to sell one day. Are you doing what's needed to make that a reality?

A proper business sale requires significant time and preparation—it's unlikely that the perfect buyer will appear one day with an offer you can't refuse and close a transaction in a couple of months. Rather, thoughtful planning and a proactive approach will result in an efficient sale on your terms—a transaction that quickly maximizes financial return with the right buyer in a professional and confidential manner.

What's most important is setting the planning into motion with as much lead time as possible, ideally three to five years ahead of the anticipated transaction time. This allows the owner to have his or her questions addressed to provide peace of mind that selling is the right move.



Here are five key questions every business owner should answer before proceeding:

1. **What is my business really worth?** A proper accredited fair-market valuation should be performed. The valuation should identify the seller's discretionary cash flow, as well as the assets included in a sale.
2. **How attractive is my business to a potential buyer?** Part of the valuation must include a formal company-marketability assessment, outlining the positive and negative operational factors that drive value. Items such as owner dependency, client concentration, managerial depth, financial record-keeping, recurring revenue, and potential growth opportunities all impact the marketability of a firm in the buyer's eye.
3. **What will a deal look like?** The combination of proper valuation and marketability review will directly influence what a final deal will look like—you need to know exactly how much cash will be delivered at closing and how much will be deferred in either seller-note or performance-based scenario. The physical assets and working capital levels included in a sale must be defined and deliverable.
4. **Will that deal meet my goals?** Now that you know the details of what a deal will look like, you'll need to see if that transaction will meet your goals—both financially and from a lifestyle perspective. Your goals will be met if

there is clarity with valuation, deal structure, and owner motivation.

5. **What is the process to discreetly sell my business and meet my goals?** There is a correct way and an incorrect way to sell a business. Once the preparations outlined above are in place, it is essential to collaborate with the proper advisors to implement the sale. Professional marketing documents, access to the correct buyers, stringent buyer prequalification to preserve confidentiality, expert negotiation skills, accurate financial reporting, and a thoroughly managed approach are all pillars of a successful transaction process. If you understand the process and are an active participant from the beginning, the experience and chances of success will be enhanced.

Preparing for and deciding to sell your business require a thoughtful, proactive approach. The execution of an efficient sale is a complicated process that calls for experience, discretion, and professionalism. The sooner you can have a meaningful fair-market valuation and marketability assessment put in place with a qualified M&A advisor, the sooner you can get the information you need to build the foundation for a successful exit strategy.

Gary W. Herviou is Vice President of A Neumann and Associates, LLC.