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- » IS YOUR BUSINESS SALEABLE?
- » SELECTED SOLD
- » SELECTED AVAILABLE OPPORTUNITIES

BRE #01160661

More than 230 business for sale!

Sales increased 49% in 2017!

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IS YOUR BUSINESS SALEABLE?



by Jim Marshall
BTI Group

So, you have a nicely profitable small business that has provided a good income for you and your family over the years and as you approach retirement, you are thinking of selling your business – but is your business really saleable?

There are three key questions you should ask yourself to determine if your business is saleable: 1) could a buyer step into your shoes and replace you and what you do in the business as a new owner? 2) Does your business provide a “living wage” in the area

where your business is located? 3) Is your business financeable?

We find that many very successful and profitable small businesses are highly dependent on the skills and contributions of the business owner and in many of these situations the business owner has unique skills, licensure and relationships with key customers and essentially is the “rain maker” for the business. Further, in most of these situations the business owner has not developed an employee or staff that can do what the owner does in the business. Replacing such a business owner is extremely difficult, if not impossible. A potential buyer for such a business is faced with the requirement to “retain” the seller as an employee or a consultant for an extended transition period at a high cost, significantly decreasing the income from the business available to the new owner.

A common situation we encounter with small businesses is that they do not generate a Seller’s Discretionary Earnings (SDE) sufficient to provide a “living wage” for a full time working owner. A good reality check is, “How does the business SDE compare to what an employee would get paid working for a company doing the same job as the owner?” For example, if a salesperson is earning \$150,000 a year, buying a business making the same amount but with perhaps more risk and stress may not be compelling. (Ian MacLachlan, BTI Group)

Such businesses are often secondary sources of income for their owners, a business operated by a spouse to supplement the income of the primary wage earner in the household and in some cases, a “hobby” or a “passion” of the business owner. Finding a buyer for such a business is an equal challenge as the new owner may be seeking a business that can provide an income to support a family, hence the issue of a “living wage”. A business in the San Francisco Bay Area, for example, would need to generate a Seller’s SDE in excess of \$100,000 based on the median family income of the region.

The third common issue we find with small businesses is a lack of good financial information to demonstrate the performance of the business. Most buyers of small businesses require financing in order to consummate the purchase. The Small Business Administration (SBA) provides financing support (up to 5M) buyers of small businesses; however the SBA has some key requirements. In general, the SBA requires a business to have at least the most recent three years of filed tax returns as well as a current year-to-date Income Statement. In addition, the SBA requires a business buyer to have a lease that provides the buyer with the ability to operate the business for at least the length of the SBA loan which is typically 10 years. This requires a 5 year lease with a 5 year option or some combination of initial term and options providing up to 10 years of occupancy. We encounter many businesses that do not have up to date tax return filings and that do not produce monthly, quarterly or even annual financial statements.

Increasingly in the San Francisco Bay Area, we are encountering Landlords that are unwilling to extend existing leases or write new leases for business buyers at comparable terms to the existing business owner's lease terms, thereby making the operation of the business impossible in the present location or significantly impacting the business model due to steep rent increases.

Faced with these three key challenges, as a business owner you would benefit from an analysis of your business by a knowledgeable and competent Business Broker who could help you identify the key issues with your particular business and provide recommendations on actions and strategies you could pursue to prepare your business for sale to address the three key issues highlighted above.

About Jim Marshall

Phone: [925-382-3971](tel:925-382-3971)

Email: jmarshall@business-team.com

Background/Experience:

Jim Marshall is an experienced business leader with core competencies in company formation and leadership, business turnarounds, mergers and acquisitions, primarily in high-technology product development and manufacturing industries. Following a successful career of more than 36 years in the microelectronics and semiconductor equipment industry, Mr. Marshall purchased and operated a durable medical equipment business which he sold in 2012. Jim joined Business Team in the Pleasant Hill office in January 2013. As a small business owner, Mr. Marshall has direct hands-on experience in the acquisition, management and sale of a business encompassing both asset purchase and stock sale transactions. At Business Team, Mr. Marshall has leveraged his extensive business background and experience in mergers and acquisitions to assist both buyers and sellers in the purchase and sale of businesses.

Professional Affiliations:

California DRE Real Estate Sales License, California DBW Yacht & Ship Sales License



Recently Sold

[Contact us for details](#)

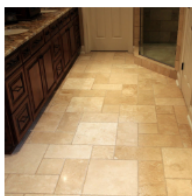
Industry	Sale Price	Industry	Sale Price
Online Retailer	\$8,000,000	Vitamin & Nutrition Store	\$405,000
Building Maintenance	\$2,350,000	Flooring Sales & Installation	\$380,000
Collection Agency	\$2,250,000	Florist	\$325,000
Metal Products Manufacturing	\$2,250,000	Restaurant & Lounge	\$325,000
Sports Bar & Brewery	\$2,152,500	After School Education	\$325,000
Grocery Store with Deli	\$1,850,000	Computer Repair	\$325,000
Farm produce distribution	\$1,830,000	Dog Boarding & Daycare	\$325,000
E-Waste Recycling	\$1,539,718	Cabinets & Construction	\$320,000
Preschool	\$1,300,000	Restaurant & Bar	\$315,000
Preschool	\$1,140,000	Music School	\$315,000
Chinese Restaurant	\$1,136,000	Auto Service Franchise	\$295,000
Engineering & Consulting Service	\$900,000	Commercial Property	\$275,000
Glass & Window Sales, Service	\$860,000	Mortgage Loans	\$275,000
Staff Placement	\$800,000	Upscale Restaurant & Bar	\$270,000
Installers of custom glass	\$800,000	Copy, Print & Ship Center	\$246,500
Gas Stations	\$795,000	Auto Repair	\$245,000
Coin Laundry & Real Estate	\$630,000	Cocktail Lounge	\$235,000
Physical Therapy Practice	\$590,000	Hearing Aid Center	\$225,000
Limousine Service	\$575,000	Eddible Arrangments Franchise	\$225,000
Wholesaler of promotional product	\$523,541	Home Improvement	\$213,000
Oil change service	\$500,000	Coffee Shop with Deli	\$210,000
Steel Fabricators	\$500,000	Auto Center	\$201,600
Bakery & Café	\$490,000	E-Waste Recycling	\$200,000
Direct Mail Advertising	\$475,000	Neighborhood Bar	\$195,000
Real Estate Property Management	\$462,000	Italian Restaurant	\$180,000
Franchise Drug Testing Lab	\$450,000	Deli Café	\$175,000
Moving & Storage	\$450,000	Sports bar	\$173,000
Print company	\$450,000	Gently Used Designer Clothing	\$170,000

Environmental Testing	\$440,000	Restaurant	\$150,000
Beauty Salon & Spa	\$150,000	Care Home	\$150,000
Print company	\$450,000	Cabinet & Door Hardware	\$140,000
Plant Maintenance	\$140,000	Motorcycle Dealership	\$140,000
Paint Store	\$140,000	Mexican Restaurant	\$130,000
Café	\$129,000	Restaurant	\$125,000
Pet Resort	\$120,000	Bakery	\$120,000
Home Cleaning Service	\$120,000	Breakfast Restaurant	\$119,000
Fast Food Restaurant	\$110,500	Mail Box Rentals & Shipping Service	\$110,000
Café	\$105,000	Gently Used Designer Clothing	\$99,000
Café	\$99,000	Italian Deli	\$95,000
Hydraulic Service	\$90,000	Franchise Fast Food	\$90,000
Bar	\$89,000	Bakery	\$85,000
Franchise Fast Food	\$85,000	Commercial/Residential Lot	\$84,000
Commercial Printing	\$80,000	Retail Bakery	\$75,000
Franchise Fast Food	\$75,000	Bar & Lounge	\$75,000
Jazz & Blue's Club	\$65,000	Sushi Restaurant	\$63,000
Bar	\$89,000	Bakery	\$85,000
Pizza Restaurant	\$51,000	Relocation Service	\$50,000
Bakery	\$50,000	Laundromat	\$35,000
Florist	\$27,000	Retail Market & Restaurant	\$410,000

[For more selected opportunities, click here](#)

Selected Available Opportunities

230 Businesses Available



MARBLE & TILE **WHOLESALE /** **RETAIL**

Listing #:8481

Category:Wholesale &
Distribution

Location:Central Coast

Gross Sales:
\$2,654,591

**Adjusted
Earnings:**
\$623,821

**Asking
Price:**
\$1,650,000



Details



Very Exclusive Construction Supplier

Listing #:SF9956
Category:Building and Construction
Location:East Bay

Gross Sales: \$2,652,948
Adjusted Earnings: \$602,574
Asking Price: \$1,400,000

 [Details](#)

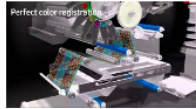


Growing Pawn Business \$1.80MM Inv. Included!

Listing #:7882
Category:Miscellaneous
Location:San Francisco

Gross Sales: \$4,390,766
Adjusted Earnings: \$467,000
Asking Price: \$2,000,000

 [Details](#)



\$437K SDE - SBA Approved Real Prop. Available

Listing #:PH3911
Category:Publishing, Printing and Graphic Arts
Location:East Bay

Gross Sales: \$1,391,808
Adjusted Earnings: \$437,482
Asking Price: \$1,395,000

 [Details](#)



Profitable Distributor of Industrial Equipment

Listing #:SF1043
Category:Wholesale & Distribution
Location:North Bay

Gross Sales: \$1,304,489
Adjusted Earnings: \$436,920
Asking Price: \$1,000,000

 [Details](#)



Retail Tires & Service

Listing #:8570
Category:Tire Stores
Location:Sacramento

Gross Sales: \$2,728,569
Adjusted Earnings: \$415,139
Asking Price: \$1,250,000

 [Details](#)



[E-commerce retail boutique-increasing cash flow!](#)

Listing #:8541
Category:Clothing
Location:Northern California

Gross Sales: \$3,635,825
Adjusted Earnings: \$1,165,040
Asking Price: \$3,800,000



[Details](#)



[Plumbing Contractor \\$990K SDE 2017](#)

Listing #:8396
Category:Building and Construction
Location:South Bay

Gross Sales: \$6,206,939
Adjusted Earnings: \$990,861
Asking Price: \$3,150,000



[Details](#)



[On-Site Dental Services Provider \\$1M in SDE](#)

Listing #:SF1058
Category:Personal
Location:East Bay

Gross Sales: \$1,949,685
Adjusted Earnings: \$988,248
Asking Price: \$4,400,000



[Details](#)



[Non-Emergency Medical Transportation](#)

Listing #:8514
Category:Business (or Biz to Biz)
Location:East Bay

Gross Sales: \$2,095,039
Adjusted Earnings: \$714,624
Asking Price: \$2,200,000



[Details](#)



[Specialty Food Importer](#)

Listing #:PH3923
Category:Wholesale & Distribution
Location:Northern California

Gross Sales: \$626,359
Adjusted Earnings: \$330,483
Asking Price: \$800,000



[Details](#)



TIRE STORE FRANCHISE

Listing #:8532
Category:Tire Stores
Location:Sacramento

Gross Sales:
 \$2,365,589

Adjusted Earnings:
 \$371,273

Asking Price:
 \$625,000

 [**Details**](#)



Nationally Recognized Piano Dealer - \$350k SDE

Listing #:SF1086
Category:Arts, Entertainment & Recreation
Location:East Bay

Gross Sales:
 \$1,205,852

Adjusted Earnings:
 \$355,487

Asking Price:
 \$1,588,000

 [**Details**](#)



Subscription I.T. Service

Listing #:SF1062
Category:Internet, Software & Technology
Location:Northern California

Gross Sales:
 \$942,332

Adjusted Earnings:
 \$318,476

Asking Price:
 \$999,999

 [**Details**](#)



Painting Service Business in NorCal

Listing #:SF1088
Category:Professional
Location:Northern California

Gross Sales:
 \$890,268

Adjusted Earnings:
 \$292,505

Asking Price:
 \$700,000

 [**Details**](#)



TIRE STORE FRANCHISE

Listing #:8521
Category:Tire Stores
Location:North Bay

Gross Sales:
 \$2,114,157

Adjusted Earnings:
 \$303,397

Asking Price:
 \$629,000

 [**Details**](#)



Surveillance and Camera service company

Listing #:PH3901
Category:Business (or Biz to Biz)
Location:Northern California

Gross Sales: \$720,819
Adjusted Earnings: \$283,871
Asking Price: \$465,000

 [Details](#)

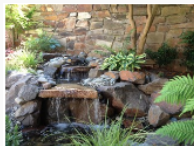


Five Star Electrical Engineering Service

Listing #:8487
Category:Services
Location:Peninsula

Gross Sales: \$433,910
Adjusted Earnings: \$278,475
Asking Price: \$180,000

 [Details](#)



Established, Successful Landscape Contractor

Listing #:SA3971
Category:Building and Construction
Location:Central Valley

Gross Sales: \$1,153,776
Adjusted Earnings: \$253,216
Asking Price: \$395,000

 [Details](#)



Highly Successful Private Investigation Company

Listing #:SF1053
Category:Services
Location:San Francisco

Gross Sales: \$878,093
Adjusted Earnings: \$234,558
Asking Price: \$688,000

 [Details](#)



[POPULAR ASIAN SUPERMARKET IN EAST BAY](#)

Listing #:8555
Category:Markets & C-Stores
Location:East Bay

Gross Sales: \$3,250,257
Adjusted Earnings: \$247,643
Asking Price: \$875,000

 [Details](#)



[Commercial Cleaning with 4-decades of Service!!](#)

Listing #:8546
Category:Business (or Biz to Biz)
Location:South Bay

Gross Sales: \$1,361,942
Adjusted Earnings: \$224,829
Asking Price: \$700,000

 [Details](#)



[Semi-absentee Steakhouse Restaurant & Property](#)

Listing #:8538
Category:Restaurants
Location:Northern California

Gross Sales: \$659,347
Adjusted Earnings: \$223,749
Asking Price: \$1,100,000

 [Details](#)



[Tire Store Franchise](#)

Listing #:8564
Category:Tire Stores
Location:Central Valley

Gross Sales: \$1,759,359
Adjusted Earnings: \$224,054
Asking Price: \$475,000

 [Details](#)



[Very Profitable Interpretation Service Company](#)

Listing #:SF1029
Category:Professional
Location:North Bay

Gross Sales: \$1,249,278
Adjusted Earnings: \$229,957
Asking Price: \$1,800,000

 [Details](#)

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