

SUMMER 2008 NEWSLETTER

In This Issue:

The Selling Price?

Experienced agents know how to price your business...

Below are a few recent sales and a few currently available opportunities

Recently Sold

| | |
|-----------------------------|-----------|
| Test equipment manufacturer | \$25MM |
| Irrigation | \$9.09MM |
| State-Of- The-Art Parking | \$4.95MM |
| Staffing - Search Agency | \$3.5MM |
| Pizza Chain | \$2.94MM |
| Creative Plant Design | \$2.8MM |
| Insurance software/support | \$2.8MM |
| Fishing Supply Shop | \$2.6MM |
| Decorative Signs | \$2.5MM |
| Modeling School | \$2.5MM |
| Document Retrieval Services | \$1.8MM |
| Commercial Printer | \$1.6MM |
| Industrial Scales | \$1.325MM |

Available Opportunities

| | |
|-----------------------------|-----------|
| Grading and Paving | \$14MM |
| Gold Mining Operation | \$12MM |
| Metal Fabrication Machining | \$12MM |
| Auto Service | \$10.5MM |
| Wholesale Billiards | \$9MM |
| Finance Lender | \$6MM |
| Hotel | \$5MM |
| Winery and Vineyard | \$4.7MM |
| Welding Military Contracts | \$2.750MM |
| Diagnostic Imaging Center | \$2.5MM |

ADDED VALUE - A TRUE STORY

A few years ago the owners (husband and wife) of a \$23 million revenue manufacturer of irrigation equipment, approaching retirement age, began to consider the sale of their business. During the following year, they discussed their goal with both their attorney and CPA and also began a relationship with a Business Team broker.

The company was organized as a “C” corporation which presented some challenges for the seller. If they sold the assets of the corporation they faced a double tax. If they sold the stock they might expect a discount due to buyer concerns with a low-basis and the exposure to unknown/undisclosed liabilities. With this in mind, the owners’ attorney and CPA suggested a price of \$5 million for a stock sale or \$7.5 million as an asset sale (the higher price compensating the seller for the additional tax and justified to the buyer by reducing risk and improving his possibilities of sheltering future income).

The Business Team broker was much more optimistic and his experience suggested that if marketed to the right buyers the company might fetch more. After some lobbying by the broker, it was agreed that the business would be taken to market un-priced. The process was begun by approaching a targeted group of buyers whose acquisition criteria appeared to match the aspects of this company and within 30 days, three letters of intent were presented to the seller, each over \$9 million and the transaction closed three months later.

The sellers were pleased of course, not only because they received an eighty percent premium over the price originally suggested by their advisors but since the multiple offers were all roughly the same price, they were able to select the most appropriate buyer which was the best fit and who would maintain the business culture and retain the employees (not the top price incidentally).

(Reference letter available upon request)

Unmatched Depth
of Experience



Business Team, a division of BTI Group, established in 1981 has sold over 4,900 businesses to private equity groups, strategic buyers and individuals.

MEMBERSHIPS

