

BusinessPlus+ Newsletter

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Why did you Go into Business?

Most owners go into business for similar reasons: *To be the boss and not answer to anyone; make more money; do what I'm great at; choose my hours.* Basically, we want a more flexible and rewarding lifestyle, and the freedom to live life on our terms.

So why do we put ourselves through it? Why not pack it in and go work for someone else, with a regular pay cheque, super and guaranteed paid leave? Because when it's done right, the rewards (financial and lifestyle) can be amazing.

However, most business owners don't get the rewards they deserve from their business. Some make perfectly healthy profits but are slaves to their business. Others have great lifestyles, but no cash to enjoy it. And the hidden killer: most businesses have their potential sales price reduced simply because the business relies on the owner, so it's less attractive to a buyer.

It is possible to build and grow a highly profitable business that's a delight to run and own, while simultaneously growing a valuable business asset that others will want to buy.

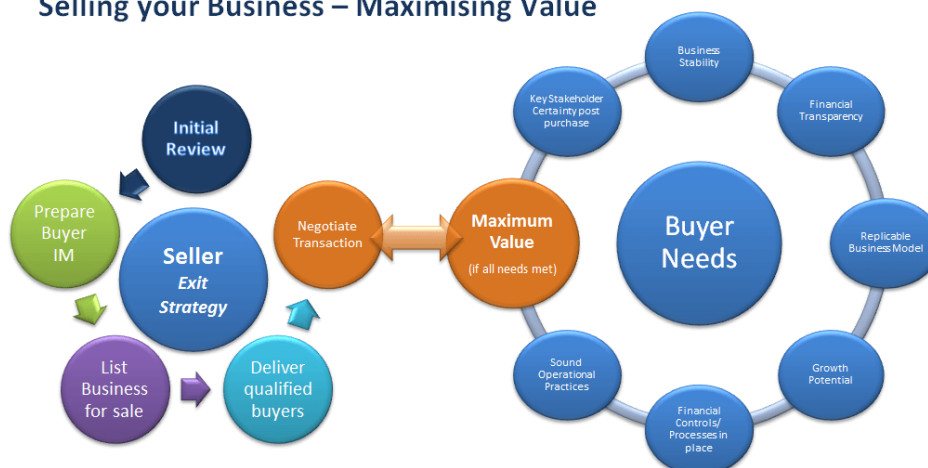
What Defines a Valuable Business?

A highly desirable business to a potential buyer has: -

- ***Solid cash flow and significant profits that grow year on year;***
- ***A unique value proposition backed by differentiated capabilities (a couple will do) with the business offerings;***
- ***A loyal, growing customer base;***
- ***A well-trained and engaged team that follows clearly defined (and documented) processes aligned to the business purpose;***
- ***A low reliance on the owner, so a buyer can pick up where you left off;***

You will note that these are also the attributes of a great business to own - profitable, well run, and it won't suck the life out of the owner! **The diagram below summarises other factors that also can affect business value from the buyer's perspective.**

Selling your Business – Maximising Value



Please contact Lyall Bear at CBSW if you would like to discuss the process for getting a business value indicator summary report (NB: This is not a full business valuation) for your business. This can be a great first step to helping you achieve your goals for being in business – “beginning with the end in mind”.

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