

## **What is the value of a business?**

Many business owners have price points in mind for the sale of their companies that are far from realistic. Are you one of them?

What is my company worth? It's a common question among small to mid-sized business owners. How do you value your company for a potential buyer?

Which is more important about the value—the price you get for all your hard work or what you have left to retire on?

Ultimately, the buyer will determine the price he or she will pay to buy your business. Often, there are forces beyond your control that can impact the sale price.

These might include:

- general economic outlook,
- local business climate,
- availability of financing for the potential buyer,
- sale prices of other similar businesses in your area, and
- regulatory climate in your business sector.

In our business exit strategy practice, we have modeling capabilities that can help you manage those business factors over which you do have some influence.

1. What impact would increasing my rate of return on my investments outside of my company have on offsetting a potentially lower price than I desire when I sell my company?
2. How much more will I have to save to compensate for a lower sale price for my firm?
3. If I work longer, at what age might I be able to live off the sale proceeds and all my other savings?
4. How much would I have to reduce my lifestyle (spend less) so the wealth created from the sale of the business will outlast me?
5. What business growth or sales value will I have to achieve to live the lifestyle to which I have become accustomed?

For most business owners, the majority of their wealth is tied up in the business. Our Route to Wealth™ process can help you multiply the value you have in your business and work toward the retirement goals you have in mind for you and your family. When it comes to running your company, you're the expert. As merger & acquisition advisors, we help you look at your business through the eyes of a potential buyer and improve in those areas that may make a difference in your business valuation.

Give us a call to set up an initial consultation. 713-984-8044.

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