

Exit Planning...

There are a significant and atypically large number of business owners, born between 1945 and 1955, who are in the process of preparing to sell their business. Business Analysts across the globe, report that the largest transfer of business wealth and assets in history is in the process of occurring. With the average age of a business owner in Australia at 58 years, this will only gain further momentum over the next 5 - 10 years.

If you're one of these business owners, have you considered who your buyer maybe? Are you are planning a trade sale, a management buy-out/buy-in? What other means are available in order to unlock your business' accumulated worth? Will the entire consideration be paid on day one or are you prepared to defer a portion in order to achieve a higher price? What are the tax implications of this sale?

Over your business life you will have been involved in thousands, maybe millions of transactions. It will be this last one – the sale of your business – which will prove the most important (and valuable). At The Infinite Group, we appreciate the importance of this particular transaction. We have assisted thousands of businesses, worldwide, address the above questions, providing support and advice throughout the entire sale process.

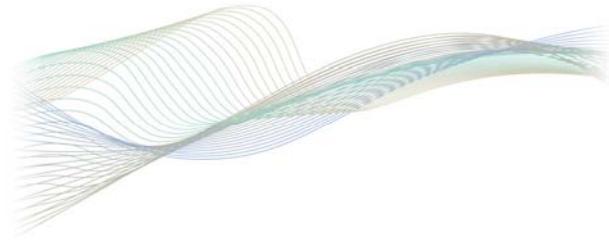
How much is your business worth? You will have a view but could you quantify it? An independent valuation is the first step in justifying that amount. At The Infinite Group we can prepare two types of valuations:

1. Most Probable Selling Price Report (MPSP): We conduct market research and financial analysis to determine the most probable selling price of the business. We consider industry trends, competition, niches, geographic influences, life expectancy of products/services, market definition, market share, legislative factors, world influence and of course, what motivates a buyer in a particular industry.

A complete analysis and comparison of the firm's operating results with industry standards is essential to understanding how the business is performing and why, what factors are restricting or limiting the business and what would happen if they were removed. As most privately owned businesses take steps to minimize taxes, we analyze the financial statements using a recasting or normalization procedure that is critical in determining the market value of the business.

Valuation is conducted using industry-accepted methodologies in accordance with the International Valuations Standards and advanced business analysis software. We consider not only the cash value of the business but also pricing scenarios which consider various means by which the purchase of the business might be financed.

2. Goodwill Diagnostic Report (GWD): Our definition of the 'Goodwill Value' of a business is its total value, less its tangible assets. This represents the value of a company over and above its liquidation value. This is often the most debated and fought over part of the business and is also the most difficult area to value.



This report reveals what the business needs to do to systematically increase their business value. The GWD is the only tool of its kind that provides a clear picture of the current goodwill value as it relates to its potential goodwill value. Moreover, it identifies specific areas of the business where value can be increased. The GWD may be used independently or as a complimentary tool with the MPSP.

Once the base valuation is know, one of two things happens. The Infinite Group can then proceed to find buyers for the business or, more likely, develop a plan of what needs to be done to capitalise on the potential within your business.

There are many and varied, tried and tested, strategies, tools and methodologies that we can employ to help improve the value at sale. In our experience, the best results are achieved when these are implemented in a step-by-step process over a 12 – 18 month period.

While we're preparing your business for sale, we'll also be busy sourcing potential buyers. We have our own bespoke system designed to attract quality purchasers, not to mention a national and international network of Infinite Group advisors.

Once the buyer is identified, we'll be able to assist you with sale structure and due diligence. We'll liaise with all stakeholders right up to completion to ensure the most important transaction of your lifetime completes in line with your expectations. At which point the biggest decision you'll have is how best to enjoy your retirement!