

## Succession and Exit Planning

“Helping our clients get or give what they have earned”



### Key Thoughts

- Only use a business valuation for its stated purpose
- Business Value may not be Business “Price” particularly with market sales
- Fair Market Value for business valuation is not “highest and best use” like real estate
- A business is worth either its cash flow value or its asset value – not the two added together
- Profitability and transferability create value. (Improve both the cash flow and the multiplier)
- Most businesses do not sell – buyers do not pay for unproven potential
- Most smaller business sales (less than \$10 million) will be asset sales – understand the tax implications
- If a family or management transfer consider the “Old Company / New Company” structure
- YOU CAN NOT START SUCCESSION PLANNING EARLY ENOUGH – it takes time then more time
- Family members / managers need the business and terms “positioned” for them just like market buyers
- For a market sale a proper sales process will increase the price
- Fear of loss is the strongest negotiation tool / not logic



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Full Presentation is at: <https://www.harvestbusiness.com/fsp-presentation-documents-on-business-exit-succession-planning-for-business-owners/>