

• **Brief Bio** •

Chuck Boles, President

THE Chuck & BUDDY COLLEGE of Business Knowledge

“45+ Years Helping Leaders THINK OUTSIDE THE CIRCLE....NEVER the Box!”™

An executive coach, business consultant and fund raising consultant, Chuck has practiced in multiple business markets throughout the Pacific Basic and the Continental United States.

With “45+ years” business experience, his expertise ranges from executive management positions in multiple geographical markets to creating and operating his own company. Armed with a “boatload” of professional designations and industry designations, he is passionate about helping owners of small to medium sized businesses create and implement sustainable survival strategies.

Chuck (and his wife, Chris) lives in Harrisonburg and is active in church, civic and multiple business and community organizations. As a graduate of Hospital Clown College, Chuck’s “sidekick” Buddy Buck-A-ROO™ provides “cheer and sunshine” to children and elder patients in hospitals and care facilities.

TOPIC OVERVIEW

The Proof is in The Pudding!

(Knowing the Estimated Base Value of Your Business Practice)

One of the most difficult challenges for a business owner is creating an exit strategy. Sadly, most business owners have no “career GPS” that defines the ultimate destiny of their business and, even worse; fail to have an idea of the estimated market value of their business practice.

“Oh, I’ll wait until I get closer to retirement to plan my exit strategy”.....does not “cut it”! Too many thriving businesses experience earlier than expected closure because the owners (or key players) encounter a “life altering event”. (Hmmm, we’ve yet to see the business sign hanging in a window that truthfully states “GOING OUT OF BUSINESS.....LOST OWNER!”)

So, where does a business owner begin in creating an “exit strategy”? Well, the first important step is completing a simple business valuation which gives the owner a basic estimate of the value of the business.

(To get the biggest “bang for your buck”, complete the following HOMEWORK – Bring an average for the most recent 5 years’ GROSS INCOME and GROSS EXPENSES for your business.....if you don’t have information for the most recent 5 years, then bring the most recent 3 years)

An Estimate of Business Basic Value

Firm Name _____ Date _____

- 1. **Tangible Assets** \$ _____
(Assets you can "Touch")
- 2. **Intangible Assets** \$ _____
("Emotional" Assets)
- 3. **GROSS INCOME** \$ _____
(3 - 5 Years Average business income - \$ IN)
- 4. **NET EXPENSES*** \$ _____
(3 - 5 Years Average business expenses - \$ OUT)

Calculating NET EXPENSES (Item # 4 - Above)

<u>YEAR</u>	<u>GROSS EXPENSES</u>	-	<u>PERKS TO OWNER**</u>	=	<u>NET EXPENSES</u>
1	\$ _____	-	\$ _____	=	\$ _____
2	\$ _____	-	\$ _____	=	\$ _____
3	\$ _____	-	\$ _____	=	\$ _____
4	\$ _____	-	\$ _____	=	\$ _____
5	\$ _____	-	\$ _____	=	\$ _____
NET Total				=	\$ _____

NET Total \$ _____ :- _____ Years = *NET Expenses \$ _____

** (Seek advice of licensed Tax Expert to define tax deductible "Owner Perks")

◇ A Simple Calculation of Estimated BASIC VALUE of Business

Item 3 (Above) (\$ _____)
 Minus Item 4 (\$ _____)* = \$ _____
 Plus Item 1 (\$ _____)
 and Item 2 (\$ _____) = \$ _____
EQUALS BASIC Estimated Value = \$ _____

SOME KEY QUESTIONS

(Every Business Owner Should Be Able to Answer)

1. When should you begin planning your “Exit Strategy”?

2. When do you Need (Want) To Sell Your Business?

“I want to sell my business in _____ or at age _____.”
(Year)

Why?

3. In My (Our) Opinion, the ESTIMATED MARKET VALUE of My (Our) Business is.....

\$ _____

Your Value is based upon what Factors?

4. The Name/Relationship of 3 Potential Buyers for My (Our) Business are:

	<u>Name</u>	<u>Relationship</u>
A.	_____	_____
B.	_____	_____
C.	_____	_____

5. The Name/Relationship of 3 Qualified Persons you’ve identified as your potential Business “Heir Apparent(s)” are:

	<u>Name</u>	<u>Relationship</u>
A.	_____	_____
B.	_____	_____
C.	_____	_____