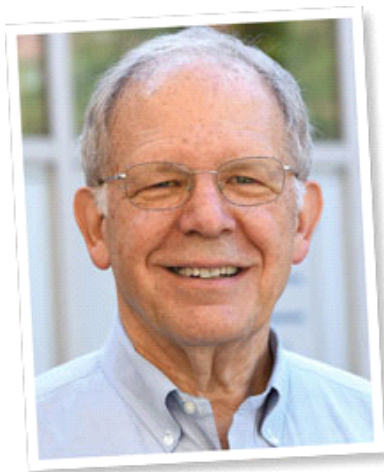


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Thoughts As the Seasons Change

Bill McCurry



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As summer fades, here are short thoughts about things that deserve being considered now to forestall damage later.

Selling Your Business—Thought 1: The time to sell your business is when somebody wants to buy it. An eager buyer puts you 75% down the road toward a sale. However, the best time for you to want to sell is rarely when someone wants to buy. If the buyer is interested, strike while the iron is hot. When you're ready to sell, the market may have shifted or buyers could be scarce.

Selling Your Business—Thought 2: With two above-average sales and profit years on the books, some are thinking of selling their business now. The purchase price most buyers will pay is a multiple of the earnings (EBITDA). One potential seller had a significant problem—not all their

sales/income was properly accounted for. How do they get value for the unreported income?

There are three options:

- Disclose enough information to the buyer that guarantees your conviction for your tax evasion; or
- Be very obtuse to the buyer. Convince them you make more than your books show while convincing them you're trustworthy, despite fraudulent tax reporting. (Good luck with that.); or
- Pay your taxes and report your results accurately for three years. You can then get a multiple of the higher earnings as a selling price.

Helping Your Employees: How can you keep your company financially viable while helping your employees through the inflation and economic uncertainty that will be with us for the foreseeable future? One Midwest retailer uses heating oil. He contracted with his heating oil company for a larger contract than previously. All heating oil was to be billed to the garden center, which would be responsible for payment. Deliveries would be made to each employee's house and the garden center. The retailer billed each employee and deducted it from their paycheck. This small administrative task for the boss resulted in an average \$1,000 saving for each employee, a very significant fringe benefit. More important than the cash savings was the emotional attachment the employees had for a boss who was considering every avenue to help them.

Chris Beytes Gave You a Heads-Up: In his July 22 Acres Online newsletter, our editor described GrowerTalks

columnist Art Parkerson's booth at Cultivate. Called PlantPop, it introduced their amazing time-lapse plant videos. Any garden center or botanical garden that installs these videos will create another reason for people to visit. They show, in relaxing time-lapse photography, the beauty and miracle of what we sell. Take a look. (plantpop.com/time-lapse) The previews are only 2.5 minutes, but imagine your customers watching a much longer presentation while enjoying refreshing beverages and jotting down plans for next season.

Don't Tear Your Family Apart: The caller said his dad ran the company and died without a will. He worked in the business, three siblings didn't. Two of those had a totally unrealistic valuation and felt their brother who worked with Dad was trying to steal from them. He quit. It wasn't amicable. An outsider made a very low offer. He was turned down. Another potential buyer started interviewing the staff and learned they were likely to leave before the deal could close. The family then put it up for auction. The outsider bid half his original offer and got it.

The family is split, full of anguish and without plans for Thanksgiving dinner—ever! Why? Dad didn't like conflict so he didn't share plans he knew some of the kids wouldn't like. Instead, he did nothing. The end result was Mom lost more than half her total retirement funding because of Dad's inability to face the real issues that needed addressing. The kids should have urged their parents to create a plan and share it with all involved. Parents, you must do this now without making your kids ask you. **GP**

Bill would love to hear from you with questions, comments or ideas for future columns. Please contact him at wmccurry@mccurryassoc.com or (609) 731-8389.