

## HOW DOES YOUR BUSINESS STACK UP?

Determining the value of your company rests on a few basic value drivers. It can be difficult to place a specific value on a given company; however, a seasoned professional such as an M&A Advisor can achieve a fairly accurate ballpark figure for what your business is worth.

Ultimately, the possible value drivers are practically endless. That stated, take a moment to carefully evaluate the ones listed to the right as they will give you some idea as to where your business currently stands. Remember that you should not just compare your business against businesses in general, instead you should compare your business against specific competition. Finally, consider what you can do, as part of your overall exit strategy, to improve your company.



<b>Value Driver</b>	<b>Low</b>	<b>Medium</b>	<b>High</b>
Business Type	Little Demand	Some Demand	High Demand
Business Growth	Low	Steady	High & Steady
Market Share	Small	Steady Growth	Large & Growing
Profits	Unsteady	Consistent	Good & Steady
Management	Under Staffed	Okay	Above Average
Financials	Compiled	Reviewed	Audited
Customer Base	Not Steady	Fairly Steady	Wide & Growing
Litigation	Some	Occasionally	None in Years
Sales	No Growth	Some Growth	Good Growth
Industry Trend	Okay	Some Growth	Good Growth

### **Selling**

A recent Price Waterhouse Coopers survey of 300+ privately held businesses in the United States outlined the most common steps companies take to improve their prospects for a successful sale. These 7 steps should be undertaken before placing a business for sale:

- **Restructure debt.**
- **Improve profitability by cutting costs.**
- **Fully fund the company pension plan.**
- **Improve the management team.**
- **Upgrade computer systems/processes.**
- **Seek the advice of a consultant, intermediary or M&A Advisor.**

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*Alamo Corporate Group and its advisors have specialized in ownership transfers of closely held companies since the late 1980's. We offer a range of intermediary services including mergers, acquisitions, divestitures, buyer identification, management buyouts, debt restructuring and in very limited instances, acquisition searches for high-net-worth individuals and private equity groups.*

*Alamo's primary purpose is to provide an extremely confidential national service that brings buyers and sellers together through our extensive contacts in the financial and intermediary communities.*

*Our process is very structured, as experience has shown us that while each buyer and seller is somewhat unique, there are enough similarities that specific steps must be followed in order for transactions to close. Confidentiality is guarded throughout each step of the process.*

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