

HOW TO BUILD VALUE BEFORE YOU SELL

**SUCCESSION
ONTARIO** 

WHAT'S THE POINT?

It's not about
fancy formulas

It's about what
BUYERS want...

and the practical
things you can do to
make your business
more attractive.

Biggest Value
Booster:

CLEAN FINANCIALS

- ▶ **Accurate** Financial Statements
- ▶ **Consistent** Net Profitability
- ▶ Separation of Personal & Business Expenses
- ▶ **Croissance** constante

Use ***BEST IN CLASS*** as
your benchmark.

REDUCE OWNER DEPENDENCE

Signs your business is too owner dependent:

- ▶ You handle all decisions
- ▶ Customers only deal with you
- ▶ Processes live in your head

Remember:

If it can't run without **you** - it has **no value** to someone else!

OWNER DEPENDENCY

How To Fix It

1. **Document All Processes**
2. **Train Employees for Key Roles & Delegate**
 - Customers
 - Vendors
 - Purchasing
 - Operations
 - Administration

INTANGIBLE VALUE DRIVERS

Your Customers

Become indispensable

Your Employees

Grow your people

Your Processes

Operations, IP, Finance

Your Brand

Create identity

CUSTOMERS

Becoming Indispensable

1. No **over dependency** on one group of customers
2. **Recurring** monthly revenue
3. Low **churn**
4. Low **cost of acquisition** of new customers
5. **Advance** orders
6. Stable **cash flow**
7. Good **client records**

EMPLOYEES

Your People

1. **Maturity and longevity**
2. **Well-trained, motivated, and compensated**
 - a. Driving loyalty
3. Can **run the business** without you
4. **Compensation, benefits and bonuses**
5. Clear **job description** and **KPIs**
6. Good **employee records**

PROCESSES

Your Documentation

1. Defined and documented **Quality Management System**
 - a. ISO 9001
2. **Fulfilment Processes** are up to quality standards
3. Look for areas of **automation**
4. **Software** is both current and supported
5. **Productivity**

BRAND

Your Identity

- ▶ **Reputation and perception**
- ▶ **Awareness**
- ▶ **Engagement**
- ▶ **Financial - High Value / Margins / Growth**
- ▶ **Repeat Purchases**

MORE VALUE DRIVERS

- ▶ **Sunset or Sunrise Sector**
- ▶ **Strong Intellectual Property**
- ▶ **Market Supply and Demand**
- ▶ **Unique Value Proposition**
- ▶ **Readiness for Due Diligence**
- ▶ **Productivity**
- ▶ **Growth Sector / New Emerging Markets**

MAXIMIZE

Your Value

It's all about
TRANSFERABILITY!

Create a Definable Action Plan

- ▶ Fix the numbers
- ▶ Benchmark - fix the low hanging fruit
- ▶ Gather your Team
- ▶ Prepare for Due Diligence

KNOW YOUR NEXT!

**THANK
YOU**

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