
SPIRIT WEST MANAGEMENT, LTD.

BUSINESS PERFORMANCE PEOPLE

HELPING BUSINESSES GROW TO THE NEXT LEVEL



HERE ARE THE RESULTS OF YOUR QUIZ

**PRIVATE
AND
CONFIDENTIAL**



Is Your Company Saleable?

QUIZ RESULTS

YOUR SCORE RANGE: 25 - 39 PTS

We want to take this moment to say “well done for taking your first step toward having a saleable business!”

While your score might not be what you expected, recognize that most businesses score in this range. What it means is that there is work to do to make your company transferable or saleable. This report will help you understand what is involved.

You obviously have your long-term interests in mind in completing this quiz as you should. Now it is time to prepare yourself to learn more about how to transform your business into a saleable asset.

Many owners start companies because they want more financial return than being a salaried employee offers. If this is still your intention you are in the right place. This report on your results will explain your next steps.

Before we reveal your results, you need to know that the statistics show that most business owners haven't organized their lives or their companies to be able to sell the business. Despite the fact your business is most likely successful for you, it does not mean that another buyer could step in and easily get the same results.

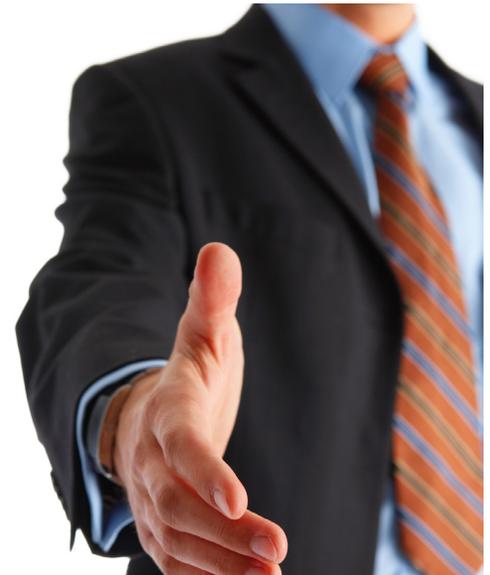
Your quiz results tell us that you obviously have been working hard running your business. You may tend to work IN your business more often than ON it... until now.

You're about to discover how to think through the complex and strategic issues and choices so you can build an exit strategy that will attract a buyer who wants to acquire the business you have built.

Now that you have completed this quiz, we're going to out on a limb to say that perhaps your goals, interests and financial requirements are changing.

Maybe, like many of our clients, you just think it's prudent and proper to think about how much the asset you are building is worth. Or maybe you're ready to know what it takes to actually sell a company these days.

Whatever your reason for taking this quiz, we are impressed that you are ready to learn more about making your business saleable. So many of your peers don't know this step is imperative.



YOUR RESULTS

Let's give you some perspective on your situation. Since 2006, 2.8 million business owners surveyed said they would sell within five years. By 2012 1.7 million owners had followed through and put their companies on the market.

199,479 found buyers and closed the deal. They became millionaires over night.

The rest when back to work, unsure about why they could not, in most cases, find any buyers or worse, could not close the deal with a buyer.

These statistics cover the gamut of buyer types from strategic buyers and private equity (that look at hundreds of deals every year and 2-3 companies) to internal buyers like family and employees who did not get financing.

How come the results are so low?

It's because until now, business owners did not know their companies had to be made saleable.

Let's pause and demystify what that means.

Yes, despite the fact that your business is making you a good living, that does not mean the next owner would get the same results you do.

Unfortunately, what you know about running your business is not easily transferrable to the next new owner without you running the business for them. If that isn't at the top of your bucket list, read on.



If it is part of your game plan to eventually not be in the leadership role, not tackling the day-to-day functional management job, then lack of systems that result in 'knowledge transferability' is a big hurdle.

Yes, from the way you answered our questions, it seems your business is still quite dependent on you and/or lacks the support mechanisms that make it a company that a buyer would acquire.

What causes buyers to not see the same value that you see? Here are some of the issues that might cause a buyer to see risk and therefore makes your company unsaleable. Based on the answers to your questions, these 'red flags' are what you need to change or remedy in your business:

- Profitability leaks
- Unclear roles and responsibilities
- Owner needed in the business
- Senior people do admin/clerk work
- Concentrated customer base
- Company reactive to market forces
- Inconsistent decision making references

- Owner makes all the decisions
- Accounting system does not provide insight into how the company makes and loses money
- Owner attached to a valuation number that does not represent the company's real value

We hope you are now asking, "How come?" Your genuine curiosity, your desire for a different outcome than just closing the doors one day and willingness to learn about becoming Saleable is what will change your circumstances.

Let's break down these problems so that your curiosity carries you into this next discussion.

WHY BUYERS ARE ONLY LOOKING FOR A SALEABLE COMPANY

Buyers have to know that by acquiring your company they will meet their own investment goals. Meaning that by acquiring your business, what you have built will:

- a) Help another company (a strategic buyer) reach their strategic goals, OR
- b) Help a private equity fund earn a higher return by growing your company to the next level and reselling it for a profit; OR
- c) Help your employees to use the funds from the dividends they receive from the company to pay the bank loan they qualified for based on the cash flow history of your business.



If any of these buyer types cannot see clearly how your business makes and loses money because you don't have the systems in place to allow for that deep insight, then they see risk.

Risk makes buyer's lower their offer numbers or walk away from the deal or not even be interested in the first place.

By learning about these red flags you start to see your company as a buyer does. Remediating these issues is the work of making it saleable.

Fixing Red flags is only part of the solution. The second part is to know how to take the right exit steps in an order that gets you the result you want, rather than making decisions that actually erode your company's current value. Many of these exit steps require making difficult trade off decisions, deal with moral hazards or conflicts of interest.

KNOW BEFORE YOU MAKE BIG DECISIONS

Case in point, a husband and wife thought that their best exit strategy was to sell to their general manager. This couple was tired of never being in the same city together. They had lots of 'lifestyle wealth', but no lifestyle they felt

good about. Their business was driving them apart.

You might imagine the GM's surprise when she asked him to prepare financial statements to give to a certified business valuator. While they were waiting for the valuation work to get done, the couple took their GM out for lunch.

The GM had suspected as much. The couple offered him the opportunity to buy their business.

The GM looked at his excited employers but remained silent, pondering this astounding turn of events.

The couple took the silence to mean that their offer was not being seen in the beneficent light they had hoped. They started to feel defensive.

What was going through the GM's mind?

This is what he was thinking: "How do they think this business would run if she wasn't selling their products and he wasn't inventing new ones? I just manage operations and paper."

And then another thought crossed his mind. "I've just earned a salary all these years. Where do they think I'm going to get the money to buy them out?"

And then a third thought turned his face into a frown. "There is no value in this business and certainly not what they are asking for, if they leave."

Their GM felt offended. 10 years of trust amongst the three of them slipped away at that lunch.

This is a true story.

Can you imagine what might happen next in this company?

If the trust erodes, will the GM leave?

If the GM leaves, who will manage the operation?

If she has to stop selling to manage operations or he has to stop developing product to manage, then what happens to the company's ability to function on all cylinders?

The valuation they have just invested in would be inaccurate.

Without management, the company is not worth what they had hoped.

Without management, the company is unsaleable, regardless of what it is worth.

You think such scenarios are unlikely to happen to you? This is just one recipe for a deal gone sour and that business isn't even on the market yet.

Lawyers' filing cabinets are littered with cases like this.



What you don't know about making your business saleable can devalue what you have today.

What you really want is peace of mind that your decisions:

- Preserve and increase value
- Make the company easier to run and less dependent on you
- Build the business in such a way as the next owner wants exactly what you have to sell, when its right for them to acquire and right for you to sell (which is never an ideal time, but then, that's life, isn't it.)

This is your next step. It's time to learn about how to make your business saleable so that you make the right decisions in the right order in a way that gets you what you do want, not what you don't want.

Even if your exit is this year or years away, get yourself a copy of *How to Increase the Value of Your Business BEFORE You Sell ... and Make it More Profitable Now.*

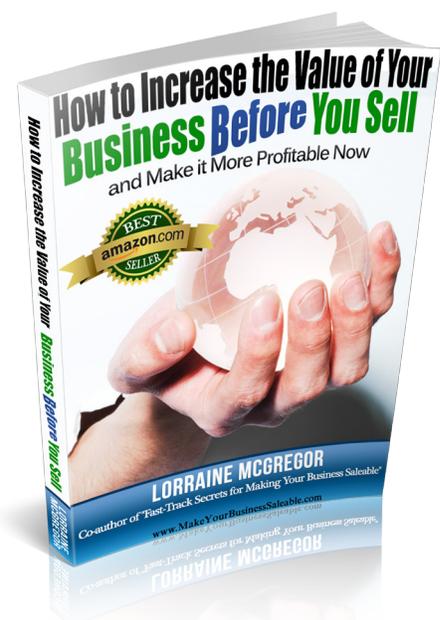
- This book gives you the inside scoop on how buyers think.
- Learn how the process of becoming Saleable works, why it's the fastest way to make your company more profitable long before you sell and why buyers and lenders need your business to be in Saleable condition in order to make a deal.
- Learn about the Red Flags that make buyers pass on your deal as if your company was a wallflower at the high school dance.
- You'll start to see the Green Lights in your company that make buyers fight to be the winning bidder.
- Got partners? You will appreciate our nine-step process to get all interests out on the table and aligned. Partner and stakeholder conflict is one of the top reasons a company remains un-Saleable.
- Then we breakdown five essential questions and how to answer them that starts your journey to becoming Saleable... and coveted by buyers and lenders.

Buy Now

FOR JUST \$14.95

Once you've read this book, you will have far greater awareness about what you need to do inside your business so you're a bona fide player in the deal-making world.

And then you're going to want to know how to make your company tempting to buyers.



How to Get the Future Your Business Deserves and the Financial Reward You Desire

How to Increase the Value of Your Business BEFORE You Sell ... and Make it More Profitable Now, will make you ready, hungry even, to build your Saleability Blueprint. This is your customized plan for the changes that you need to make in your business (Hint: many of these changes were in the questions we asked!).

TAKE THE NEXT STEPS IN THE RIGHT ORDER

To give you some highlights of what is to come once you have read what becoming saleable (and more profitable!) is about, here are the four proven steps in the system we use to make a business saleable. Each step requires reflection, consultation with stakeholders and has a learning curve.

When you take steps out of order, you inadvertently create catch 22s that are hard to unravel later, like the husband and wife did in our example.

1. Handle Reality
2. Hone Goals and Decisions
3. Hunt the Right Acquirer
4. Helm the Transition

HANDLE REALITY

You might think your first step is to build a succession plan. That is only part of the equation. You also now know your next step is not to spend thousands on a valuation.

Handling Reality involves understanding how a potential buyer or lender loaning to a transferee (Your employees? A family member? An as yet to be found General Manager or CEO?) evaluates your business. It's often very different than how you see your company, as you experienced through the GM's thought process after receiving such a 'generous' offer.

Coming to terms with the current value from the buyer's perspective gives you a powerful foundation critical to navigating the next steps.



HONE GOALS AND DECISIONS

Once you have Handled Reality, you will want to assess your personal goals, your legacy goals and consider the needs and aspirations of your stakeholders. Often working with a trained advisor capable of managing conflicting

needs and interests helps everyone blend their needs into critical decisions.

Getting stakeholders aligned is a nine step process. To get family, business partners and key employees working collaboratively (yes, this is essential and entirely possible despite any current conflicts you have!) is best done with a structure and guidance that keeps participation high and perceived conflict handled elegantly for all concerned.

In our case story, our GM might have wanted the business, but he would never have made it successful without the owners staying, which defeats their interests. These are sticky situations that need skilled facilitation as tempers can flare. It can be hard to hear that your partners want something different than you do and still work to uncover interests that don't sound like the message you really want to hear.

HUNT THE RIGHT ACQUIRER

You need a buyer that wants what you have built. Often the best type of buyer is another company that sees something in your offering that will help them achieve their growth goals. Strategic buyers currently acquire 90% of the saleable businesses put on the market.

In our case story, their ideal buyer might well be a competitor. That company would have sales and distribution as well as product development that this couple's business would lose if they left.

That competitor wants the cash flow from the couple's current clients and their proprietary formulas. This buyer type allows the couple to leave the company.

Any other buyer type is not a good fit for the couple's interests.

You may need to adjust your thinking though. Your ideal buyer might not be acquiring when you finally feel like selling your business.

Ask yourself: "What is more important? Getting a return on my investment or hoping I can find an ideal buyer when I am ready to sell?"

HELM THE TRANSITION

Remodeling your business so it becomes a more profitable and growing concern that fits your ideal acquirer's strategic goals is the final step.

It can be frustrating for business owners to think that their successful business might not be enough of a carrot for a buyer.

The couple in our story would need their GM to help them capture their product creation knowledge and strategies, create systems to adequately track their client's buying behavior and ensure that relationships are transferred to the people who will be staying with the business.



As you can imagine, these kinds of changes don't happen overnight. This is almost a full time project.

So the first task is freeing up your time to be able to build your plan to allow these changes to occur.

Before making any changes, owners need to have planned their custom Saleability Blueprint. Numerous questions go into building that blueprint. When you've finished answering the questions, you will know what to change and the right order to make those changes... no matter what kind of business you have.

These questions are universal in scope, because most buyers are looking for the same indicators that tell them your company will make money for them and meet their strategic goals. So don't worry that we might not have covered your type of business.

You Can Make Your Business Saleable

Yes, there is a lot to do. But hey, how much did you accomplish when you were building your company, managing the ups and downs as you tried to scale it? You've got the skill set. You just need the knowledge of how to do this.

Here it is.

Fast-Track Secrets for Making Your Business Saleable Book and Playbook

- These companion books outline in detail the steps that will help you transform your company from successful for you to Saleable and attractive to the next owner.
- You will learn how to navigate all 4 Steps to become saleable including case studies on how other owners worked through the Red Flags that blocked their Saleability and added Green Lights that drove buyers to their door.
- You'll be able to determine which buyer type is your ideal target. At the same time, completing the exercises in companion the Playbook will build your Saleability Blueprint that guides you in what to do Helm the Transition to make the changes in your business that make your company Saleable.
- You will discover your answers to key questions about you as a leader, your next act in life, your expectations, insights in to how to improve your business and attract your ideal buyer.
- When you've finished reading the book and completing all the exercises in the Playbook, you will be looking at your custom Saleability Blueprint – the guide you will use to make the changes in your company that will attract the ideal buyer to offer a premium.
- You will find out what happened to that couple's business as a result of their early missteps.
- And you'll discover exactly what you have to do inside your business to make it worth 2 times or even 3 times more than it is today.

Imagine what it might be like to be that wealthy. Wealthy enough to do whatever you wanted post-acquisition.

Imagine your company today. It might be worth \$4 million or \$47 million on paper. But your biggest asset is illiquid, meaning you couldn't free your wealth. Imagine continuing to run your business on in to the future without having any way to capture that value...kind of like being on a treadmill without an off button.

Imagine instead making the remodeling changes inside your business over the next 2-4 years. Your company's value is also changing as you remove the risks points that make buyers walk away.

Imagine one day a buyer comes to call and your \$4 million or \$47 million business is now worth double that value! Not only that, that buyer wants what you've built because they can see how their own strategic goals will be met by acquiring your Saleable company: Your company's knowledge is now transferrable, therefore far more valuable. The buyer sees clearly from your financial statements and metrics how your business makes and loses money. Your business has a well-defined market niche with a growing following.

These 'green lights' and many more are what makes your company look like gold to buyers (and lenders!) That dramatic change in value is exactly what happened for our clients, after they made the commitment to become saleable.

With the owners' commitment to make those changes, learning how to lead their company in a new way and with a stroke of the pen, they became millionaires over night.

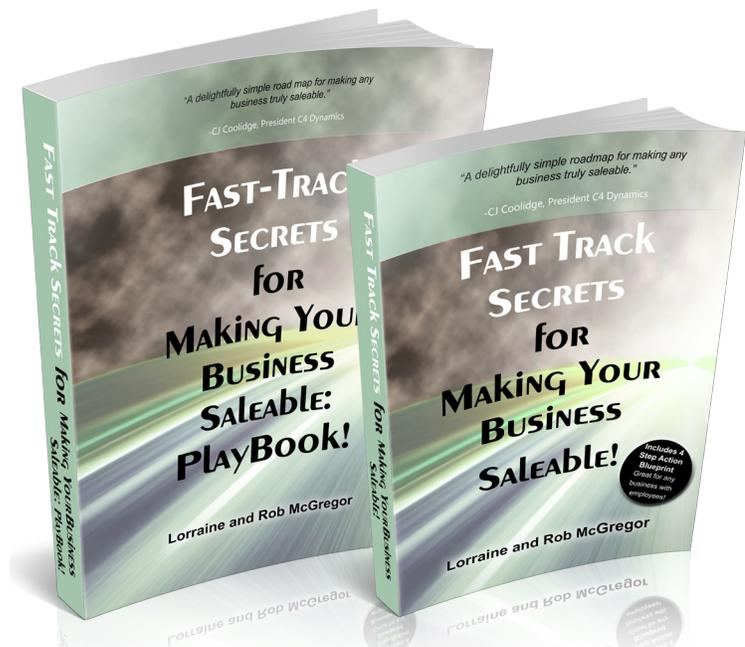
Just because they persevered for 18 months to make their company saleable and learned how to do it as they took action on each of the four proven and well-tested steps.

Fast-Track Secrets for Making Your Business Saleable is easy to read (and apparently eye opening and gripping according to readers!). The companion Playbook exercises are best done working with your partners, family and/or advisors as you read the book.

We don't just ask to complete exercises and answer questions off the top of your head. We offer critical insight in how to make these crucial decisions without falling into the abyss of poor choices you can't recover from. You can invest in your future now by starting with the book and playbook for \$99.95.

Buy Now

FOR JUST \$99.95



Let's make it even easier for you. It is so important to us that all business owners get this vital knowledge that's been hiding in the minds of buyers for years that we offer a 60 day guarantee with every purchase. For whatever reason, after you receive our books in the mail, go through it and find it's just not what you thought, we will give you a 100% refund.

All you have to do is to call us at 206-395-3530 or email Corrie Winter at CorrieW@SpiritWest.com and she has full authority to give you your money back, no questions asked.

In fact, let's make it 90 days. That way you have the time you need to know if the years we've spent building and proving this 4 Step Saleability System works, are going to prove a great fit for your needs.

THE ONLY QUESTION THAT MATTERS NOW

What will you do with the information contained in this report?

Will you file it away for later and suddenly remember it when a buyer knocks on your door and finds your company interesting, but in un-saleable condition?

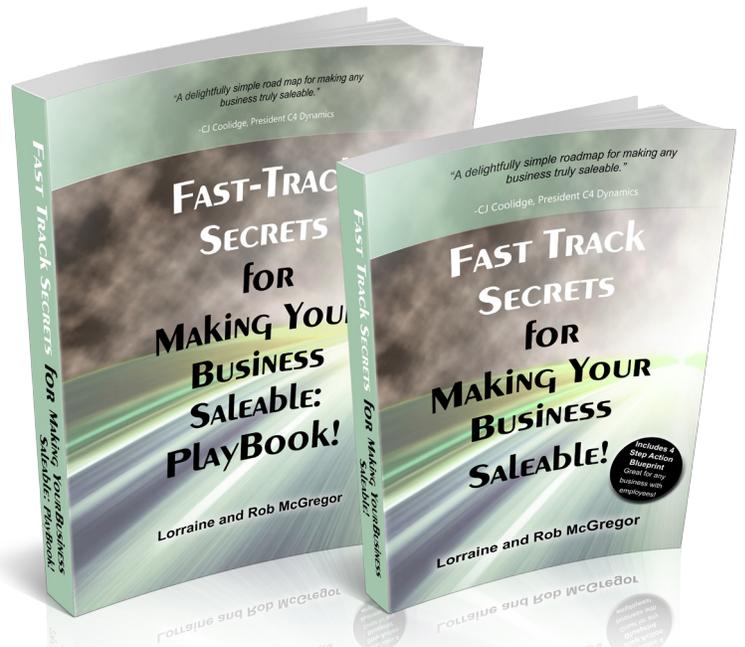
Or will you take your learning journey to the next step so you learn more about what you don't know that you don't know...

You could potentially be sitting on a winning lottery ticket... There is \$10 trillion sitting on the sidelines in search of saleable businesses. Buyers tell us these types of companies are few and far between.

There is no demand for an un-saleable business.

So it is completely in your power to transform the lottery ticket you are holding into a winner. Act now. It takes 2-4 years to make a business saleable. You want your company to be ready when your ideal buyer makes their interests known.

Get started with securing your company's future, your legacy and your wealth today. Get "Fast Track Secrets for Making Your Business Saleable" book and playbook here for just \$99.95.



Buy Now

FOR JUST \$99.95

Here's to your productive future, your legacy, your family's wealth, and staying away from life's curve balls!