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SPIRIT WEST MANAGEMENT, LTD.

BUSINESS PERFORMANCE PEOPLE

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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!”. Your quiz results tell us that you obviously have a successful business. That’s the great news and obviously your business will continue to prosper under your leadership.

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

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. Unfortunately succession planning literature does not focus on this vital aspect of getting a return on your investment in your business.

If you want that return, then accept that despite the fact your business is successful for you, it does not mean a buyer or a lender financing a buy out would find your company attractive to acquire.

Let’s pause and demystify what that means.

Yes, despite the fact that your business is obviously successful for you and your team, your family, partners and stakeholders, that does not mean the next owner would get the same results you do. What you know about running your business is not easily transferrable to the next new owner without you.

If it is part of your game plan to eventually not be in the leadership role, tackling the day-to-day functional management job, then lack of 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.

We hope you are now asking, “How come?” Your genuine curiosity, 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.



## 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.

Now let's focus on buyers are looking for.

Let's look at some of the typical buyer Green Lights. These are what we call saleability factors. Strategic buyers search for their “green light” perfect fit. Financial buyers want cash flow and growth prospects. Lenders look for the same Green Lights that financial buyers search for when considering lending for growth and/or a partial equity buyout or management buyout.

As we go through the Green Light List, the buyer acquisition criteria, realize that most companies only have a few Green Lights ... and this is the key reason most businesses aren't saleable.

Only having a few Green Lights from the buyer's perspective does not mean you and your company are not successful. It is in fact fairly typical since most owners operate their company for their own benefit, not the benefit of the next owner, at least not yet.

Here are some examples of Green Lights potential buyers will be looking for. They don't need to see all of them, but there should be enough that they get that little adrenaline rush that tells them your company is worth investigating.

Check all that you have set up in your company:

- ☐ Realistic rosy future forecast
- ☐ Not dependent on owner
- ☐ Effective management team
- ☐ Profitability leaks plugged
- ☐ Systems that allow scalability
- ☐ Vision, goals, metrics, plans
- ☐ Consistently profitable in the previous 2 years

Now if you are like most business owners at this stage of the process, you can confidently check off 2-3 of these attributes. The rest come as a direct result of building your four-step plan for making your business saleable and leading your company through the changes your plan lays out. So don't be too hard on yourself if you've only ticked a few boxes. This is the first step in your learning journey.

Red Flags mean risk for buyers. Green Lights reduce 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. Remedying 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.

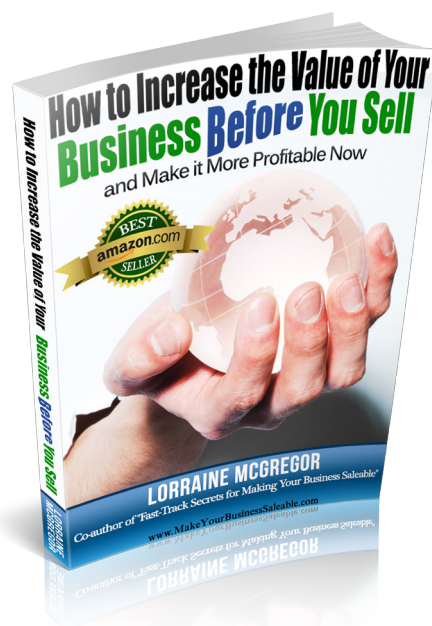
What you really want is peace of mind that your decisions:

- 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.

## YOU ARE SO CLOSE TO BECOMING SALEABLE. MAKE SURE YOU LEARN HOW TO PLAY THE GAME AND HAVE THE RIGHT EXPERTS ON YOUR TEAM:

We've just shared with you inside knowledge on our proven 4 step system that has transformed our clients from high net worth individuals with unsaleable companies into Ultra High Net worth millionaires. Imagine your company worth 2 times or even 3 times more than what it is worth today because you made it irresistible to the right buyer.

We promised to share with you how to do exactly that and here's how you can learn these inside secrets.

Get our **Make Your Business Saleable Resource System** which includes all the inside information you need to go from un-Saleable to Saleable AND worth far more than your business would be valued at today. Here is what you will receive in this easy to follow system:

### *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 the five questions and how to answer them that starts your journey to becoming Saleable... and coveted by buyers and lenders.

PLUS, Your next step is to stay out of these black holes ...

### *Three Critical Decisions*

- After reading *How to Increase the Value of Your Business BEFORE You Sell* you will have a much deeper understanding of the work to be done to become saleable. These decisions have Catch 22s. Many business owners misunderstand the implications of attaching themselves to numbers or false ideas about how to sell a business. These 3 DVD videos and transcripts will help you come to terms with reality, eliminate mindsets that can sink your aspirations and rationalize your final decisions in a way that won't block your goal to find a buyer and get your return on your investment in your business.

WITH THESE NEXT BOOKS, NOW YOU'RE READY To Build Your Action Plan

### *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.

BUT THAT'S NOT ALL. We've spent thousands on your behalf.

### *Exit Expert Interviews*

- As you read “Fast-Track Secrets for Making Your Business Saleable” and build your Saleability Blueprint, start watching the “Exit Expert Interview Series” DVDs. Here you will learn from 19 pros about what it takes to get a business (and all the stakeholders!) into Saleable condition. An hour with each of these experts would cost you thousands, if you could find them first. We did it for you.
- Imagine being able to learn from the painful experience one business owner had trying to sell without becoming saleable. Wish you could get inside the mind of your ideal buyer now before you're facing each other across the boardroom table? We've got three interviews for you with buyers you would never meet in your daily life. Having a Saleable company means you hold a winning lottery ticket. You need strategies for having sudden wealth like our two wealth experts deliver. Hate the idea of retirement? You need to feel passionate about your next act. Learn how to create it with these Life Transition pros. There are many changes you will have to make personally to Helm this Transition. We offer tips, tricks and mindset adjustments to get you those breakthroughs. Listen to these 19 expert interviews on DVD in the privacy of your home or office or read the transcripts.

**When You Have Finished Working with the Make Your Business Saleable Resource System, You Will Have the Right Action Plan that Fits Your Wishes, Your Company and Your Financial Goals**

## **MAKING A BUSINESS SALEABLE IS NOT A JOURNEY YOU TAKE BY YOURSELF.**

This is a sophisticated game with many moving parts. You may be the expert in your company, your technical specialty or functional role. However part of the reason that 90% of business owners fail in finding a buyer or closing the deal on the sale of their business is that they don't know what they don't know.

You wouldn't step into an NFL game if the last time you played football was in college. If you didn't sit the entire game out on the bench, you would be crushed out on the field.

Getting a company prepared to attract a buyer willing to pay a premium requires expertise you don't have. Don't go it alone. Learn how the Saleable game works first.



## YOU HAVE TWO CHOICES IN FINDING THE RIGHT EXPERTISE

### CHOICE 1

Choice 1 is not very practical. You can spend **countless hours** and **thousands of dollars** hunting down the few advisors that have experience in this area (many claim succession planning knowledge which is not the same as making a business saleable).

But you will not be able to speak directly with all the different buyer types, or the M&A intermediaries that know this game. They don't want to talk to a business owner until the company is in a saleable state. Nor are you likely to find business owners who would reveal to you what happened when they attempted to sell and failed and are willing to share the pain and lessons learned.

### CHOICE 2

Choose Choice 2 to **save yourself the time and money** and **learn from the experts** we've assembled that you wouldn't gain access to. Buyers. Valuation experts, Life Transition specialists, Management Buyout strategists.

Wealth managers who understand what happens when people not used to ultra wealth suddenly become uber wealthy overnight.

Business owners that thought they were going to become rich this year and instead, became one of the 90% statistic that try and fail to sell.

**Everyone you need to learn from all in one package:**

- 19 Interviews.
- 10 DVDs.
- Full transcripts of each interview so you can go back and refresh the lesson.



If you had to buy all this advice, you would spend more than \$69,000. That's just in advisory fees. That doesn't include your time and effort. Or our time and experience developing our proven system into a product you can lead yourself through easily.

**BUT WE WON'T CHARGE YOU \$69,000.**

**WE WON'T EVEN CHARGE YOU 10% OF THAT AMOUNT.**

**YOUR PRICE IS \$397.00.**

Why do we offer the Make Your Business Saleable Resource System at a fraction of its true value? Because if we don't alert you to make your business saleable, you will have to close your company one day. There goes your retirement fund. Your big cash out. Instead your employees will lose their jobs. Your legacy will be gone. Your town will lose a key ingredient of its economic vitality.

Do NOT go it alone. You will need The Make Your Business Saleable Resource System AND a team of Advisors like the people you will hear from in our system. When you're ready, check out these Exit Planners. While we don't endorse or certify that these professionals will be able to help you, we like how they think. Check them out for yourself.



FOR JUST \$397!

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1. Read the books, listen to the Exit Expert Interviews, then engage an exit planner to get you the rest of the way. It took a team to build the asset you are poised to get a return on. It takes a team to get the exit of your dreams. Do NOT go it alone.
  - a. In Canada we recommend **BDO's SuccessCare program**.
  - b. In the US on the east coast, **Pinnacle Equity Solutions, Business Legacy Consulting or Breakthrough Enterprise**.
  - c. In the US on the west coast, **Ron Schutz Associates**.
2. Got family in your business? Don't take another step without reading Tom Deans' **Every Family's Business** available at Amazon.

**SO, NOW YOU KNOW HOW CLOSE YOUR COMPANY IS TO BEING SALEABLE...**

What will you do with this information? 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 unsaleable 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.

Worried you won't get value from **The Make Your Business Saleable Resource System**? We totally understand. That's why we offer a 60 day guarantee with every purchase. For whatever reason, after you receive our product 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 this system are going to prove a great fit for your needs.

Here's to your productive future, your legacy, your wealth, your town's economy!

