



TRANSWORLD

Business Advisors

*Business Sales ♦ Franchises
Mergers & Acquisitions*

How to Sell a Business in Florida

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How to Sell Business in Florida



Introduction:

This is the second ebook I have written. The first one for buyers was born of the realization that there exists a lack of basic educational materials available to the “Average Joe”—the consumer interested in buying a business that doesn’t have a background in Mergers & Acquisitions. It has proven to be a useful resource for both buyers and brokers alike. The natural evolution was to complete the cycle and craft a similar product for the small business seller.

What qualifies me to pen a resource for business sellers here in Florida? As a business owner, you should be discriminating enough to ask yourself that question right off the bat. With that in mind, allow me to offer some personal background information to encourage you to read further. After all, the sale of your business is one of the most important financial transactions you will ever complete. Due diligence demands that you ensure the people from whom you seek advice are competent, wise, and well experienced.

My education is somewhat nontraditional for a finance professional: I have a degree in history with a minor in military science from [Providence College](#). I had set my mind on a professional military career, but luck changed my trajectory. When I transitioned to the civilian world, I worked in logistics (same day and overnight) while pursuing a Masters in Education with hopes of becoming a teacher. A chance phone call from a corporate recruiter put me into the consumer package industry in logistics and later sales with companies like Vivendi Water, Pepsi Cola, and Nestle. Those organizations gifted me with some excellent training that I still use today in sales and management. But I can honestly say the greatest lessons I’ve learned have come from my 15 years here at [Transworld Business Advisors](#). It is here that I found my passion, and here that I have excelled. As I write this e-book, I have sold exactly 276 businesses for a total of \$55,100,000 in market value. So, in short, I am a guy who “gets deals done.” This is not a part-time job. I eat, sleep, and dream buying and selling businesses.



How to Sell Business in Florida

I am the company record holder in deal volume, having sold more than any other agent in the Transworld. Every year (barring the year my son was born), I have completed over 20 transactions. To give you a baseline, a successful broker averages four to six deals annually.

The volume of my deals is, in fact, a true anomaly. I have been called the “Walmart” of business brokers and a “freak” due to the volume and productivity. But this volume is indicative of an intrinsic understanding of the market and the safest way to successfully navigate the [buying](#) and [selling](#) process. A full 50% of deals die before ever getting to the closing table, and many die once there. We at Transworld crafted the steps laid out in these pages as the best way to navigate the selling process in the safest way for both buyer and seller. In the following pages, you will find The Transworld Ten Step Selling Process. Embedded in the pages are links to helpful websites for further explanation. We included a Glossary at the end of the eBook. You will also be able to find this book by chapter on my [SoundCloud page](#) (links to each chapter are in the title of each step).

Please feel free to share this document with friends and others thinking of buying a business. Should you find it helpful, or should you have questions, comments, or criticisms, contact me freely [here](#).

Let's Talk About The Marketplace:

We start this book with the marketplace. As a former soldier, I can tell you that you must be very familiar with your environment to accomplish your mission successfully. Your mission here is to SELL YOUR BUSINESS FOR THE BEST PRICE UNDER THE MOST FAVORABLE TERMS. With only 27% of businesses listed in Florida selling in 2018, the odds are not in your favor, and you need to understand what drives a statistic like that. It can all be attributed to a general lack of understanding of the Florida Market and how it works.

So, let's talk about this unique battleground called the Florida Market. Florida is unique for many reasons ranging from its diverse economy and population to its business tax structure. But as it relates to selling businesses, Florida is unique because we have the [Business Brokers of Florida](#) (BBF) and its vibrant Multiple Listing Service. This association and its platform create an “exchange” of sorts and, more importantly, an ecosystem of competition.

Count yourself among the blessed if you are a business owner in Florida. When you go to market, and your broker is a BBF member, your listing is actively viewed by all the association members. This drives competition and activity, and at a baseline is good for you, your competition and the market. Think of the bar scene in “A Beautiful Mind.”



How to Sell Business in Florida

“Best result comes from everyone in the group doing what’s best for himself. Incomplete. Incomplete. Because the best result will come when everyone in the group is doing what’s best for himself and the group.” -Dr. John Nash

Not having your deal marketed to the largest group of both buyers and brokers is ultimately bad for you. You need to understand this principle at its core and ensure your broker is marketing to the larger market...the brokers and the buyers alike. The BBF facilitates that. The statistics do not lie:

- ▶ Nationally, fewer than 20% of listed businesses are sold annually; in Florida, we sell nearly 30% each year.
- ▶ Nationally it takes almost a year to sell a business; in Florida, the average selling time is six to eight months.

Now, these are marginal improvements but improvements nonetheless. The market remains inefficient for other factors you can see [here](#). This system offers very useful data, so ask your broker to provide you comps and ratios particular to your sale. If they can't or won't...well, find another broker that will!

To the layman, these statistics may seem relatively unimportant. But when you recognize that no other state in the U.S. has this tool available nor has access to the data it provides and that deal-making in other markets is often choppy with valuations based on rainbows and unicorns; it's clear that this platform is incredibly valuable in helping a broker close a deal.

Another key component to the success of the Florida Market place is the concept of Co-Brokerage. Believe it or not, the business brokers in other states do not have a policy of co-brokerage, and often the agents in those markets (and Florida, if not a BBF Member) often actively resist doing so. Sellers assume that the process flows like real estate, where a seller agent works with a buyer agent. In fact, that is not the norm. The reality is that most brokers-richtly or wrongly-resist co-brokering. And while they cite a variety of reasons for their reluctance to co-broker, it really boils down to greed and not wanting to share a commission on a transaction.

The good news is in Florida, the BBF does a great job of promoting a co-broker environment. As a seller of a business, you are fortunate in that regard because competition works in your favor. It drives activity, buyer views, and ultimately the value of your deal in an arm's length transaction.



How to Sell Business in Florida

Some other key elements in the Florida Marketplace you need to understand conceptually are:

International Buyers: There are several different immigration-related business transactions common to the Florida market. They include E2 Visas, L1 Visas, and EB5 visas. We will not go into great detail on them but suffice it to say they have a positive impact on the competition for your business if your business qualifies. Your business needs to meet certain minimum requirements for each *particular type of visa* and the needs of the buyer. For example: In Florida, unlike many other markets, service-related businesses sell at a high volume specifically because of their simplicity, their lower risk (relative to a large customer count), and their quick cash flow, which is critical for a family transitioning into the U.S. Keep in mind at least 30% of all transactions in Florida are tied to immigration in some way. That is a significant variable. So, when things like tariffs, conflicts, terrorism, and exchange rates shift, it can impact your sale. Regardless of these variables, don't be misled into thinking that "visa" buyers will overpay for a business. They will pay for quality. Be aware that the number of deals that fit their specific needs may be few. This has the unintended consequence of creating competition that can be critical to success in this market.

Exchange Rates: Given the volume of investor visa holders in the small business community, business sellers should be wary of the exchange rates. In particular, look critically at businesses that are traditional targets for Visa buyers. The exchange rate can minimize or expand buyer pools or encourage foreign nationals currently in business to sell up to maximize their return on the way back. In short, this is most relevant in Central Florida.

Demographics: More than half of business buyers are aged between 29 and 40 years old. This population is likely to have a family, and the needs of that family drive much of the decision making, including the purchase of a business. The quality and cost of housing, quality of schools, shopping, and commute time all serve as variables that impact a buyer's decision and, as such, should be consciously regarded by sellers as they prepare their business for sale. A savvy seller recognizes that a business needs to be attractive to potential buyers in the market. An English Tea Room may be fascinating to you, but if your pool of buyers does not find it of interest, you obstruct your deal from the get-go. Always remember: your opinion is important, but the market gets the deal done.

Relocation Families: Florida's population grew by 2% in 2018. Newcomers arrive from other states and around the world. Florida's Construction and Tourism Core industry will change as a result of population growth, and subsequently, so too will the number of small business transfers. Add to that the ever-looming tidal wave of businesses being sold by baby boomers, and our market is a vibrant one.



How to Sell Business in Florida

To recap...the market is dynamic, fluid, and ever-changing. When you sell, make sure your business is positioned to the market and the needs of the buyer.

Get Yourself Educated: If you are a business owner, chances are you are the expert in your field. At the core of this process is the inherent understanding of what you know and what you don't know. Lawyers rarely represent themselves; doctors do not treat themselves, and you should not sell your own business.

That being said, it's imperative to understand the basics of selling a business. In an age where so much information is available right at your fingertips, there really is no excuse for you not to know the fundamentals. You can Google, watch [YouTube](#), seek the advice of professionals, read a [book](#). Avail yourself of any, if not all, of these options as you begin to contemplate what is involved in this process. What you shouldn't do is lie to yourself. You need to make sure you speak to professionals actively engaged in the arena—people in the game right now...not someone who's done it once or twice....in the game. You want the sage advice of people who have sold hundreds of business and know the process inside and out. Additionally, you need to be discerning about the advice you're getting and realize that many will tell you anything you want to hear in order to secure your listing. As in any other profession, unscrupulous people exist here as well.

Your business sale is a significant sized transaction and should be treated seriously. If you were sick with heart disease, you would not seek the advice of your beer-drinking buddy, who took a first aid class. No!!! You would go to your primary care physician, who would seek out a trusted and competent specialist. Your [CPA](#) and [your attorney](#) are great people to ask for referrals for [competent professionals](#).

Be Realistic: I am sure each of us has seen [Shark Tank](#) and an episode where Mr. Wonderful or Mark Cuban tears someone to pieces and tells them they do not have a business or that their valuation is crazy. Do not be that Guy / Gal. You want to be the Guy or Gal the Sharks fight over. So do some reading, listen to some [podcasts](#), read, read, and read. At some point, your CPA and /or attorney will refer you to a [business broker](#) or [M&A Advisor / Investment banker](#) depending on the size of your business. Make sure this individual has a teacher's heart, and you feel comfortable with him or her. You will be spending a lot of time with the advisor you choose, so pick someone you respect that values YOU, someone with a provable and demonstrable performance record. If you have been diligent in your self- education, and truthful with yourself, you won't be snowballed with grand valuations or upfront fee structure predicated on telling you what you want to hear. You will be able to ferret the truth out and manage your exit strategy and sale properly.



How to Sell Business in Florida

Know What You Are - Main Street or Wall Street: First and foremost, you need to know what your business is. Are you a main street deal where the most likely buyer is an individual seeking income? Or are you a “Wall Street” deal where the buyer is strategic in nature, acquiring your business for vertical integration, market share consolidation, technology patents, or other more strategic reasons? Knowing which one you are is vital in helping you decide if the broker you are interviewing is right for the job, and if that person has the resources to get you to the finish line. The ability to do



both is rare

At Transworld,
we have two divisions with the resources to

Realize that Main Street is about 70% of the volume of transactions in Florida, and you are more than likely a Main Street deal. To give you a feel for what it takes to buy a “Wall Street / Strategic Deal,” your cash flow will normally need to be in upwards of \$1MM USD, but there are exceptions to that rule of thumb:

The Transworld Selling Process

Step 1

COMPREHENSIVE BUSINESS REVIEW:

You finally made the decision to sell your business. By now, you should have:

1. Interviewed several [business brokers](#) or [M&A Advisors](#), depending on the size of your business.
2. Done a bit of research and completed assessments of the strengths, weaknesses, and backgrounds of the brokers and firms you have interviewed. Once you select a broker, it's time to complete a comprehensive review of your business.



How to Sell Business in Florida

What exactly does that entail? Depending upon the size of your business, a review can be fairly simple or unexpectedly complex. At a minimum, it will include an interview of the ownership, collection, and analysis of the financial statements (balance sheets, tax returns, profit, and loss statements), a detailed listing of the equipment and assets to be included in the sale, review of the lease, land appraisal if applicable, identification of possible deal breakers, disruptions, or issues (concentration of revenue, liabilities, lawsuits, key player dynamics).

In the case of larger entities where the profits exceed a million of [EBITDA](#), you should anticipate an interview document to be executed. It will be highly detailed and will be used in the development of a Confidential Information Memorandum or “[CIM](#).” CIM’s or “Decks” as they are commonly called, give a snapshot of the business in solid detail along with information on the sector, the marketplace in which the target operates and other pertinent data. When interviewing a broker at this level, make sure you ask for a sample CIM to gage its professionalism and its level of detail. Buyers at that level are highly sophisticated. The CIM is often the first and only look a deal gets. The CIM should be exceptional. Show up with a less than stellar CIM, and you risk losing the buyer from the get-go. The review, in the case of small businesses and main street transactions, can often be done in under an hour. An experienced broker can show you comps from recent sales and show those to you so you can see the selling prices of comparable businesses. As a seller, you should ask to see what is on the market today (have them pull it up on the computer in front of you from the [BBFMLS](#)). Identify the top 20% of deals in your category and then have the broker pull the sold listings from the BBF as well. The benefit of having a market is being able to identify the sweet spot. Ignoring the data is foolish and never ever ends well. **KNOW WITH WHOM YOUR’E COMPETING. DON’T OVERPRICE. BE IN THE TOP 20% OF LISTINGS IN YOUR CATEGORY.**

Step 2

We Structure The Sale

THE TOP 20%. At the main street level, the highest likelihood of selling is largely determined by how well you compete and show in the market. Most buyers are uneducated (unless they’ve read my [book](#) 😊) regarding valuation, so they default to price. Price motivates everything. As a seller, if you lack the other variables that drive value, i.e., Terms, Packaging, Cleanliness of Books, Location if applicable, Visa Qualification, Simplicity, and Industry Trendline, you have stacked the deck against yourself (one reason we like to speak to sellers years in advance to [prep for sale](#)) and allowed price to be the primary driver.

Structuring the Sale means determining the go-to-market price and TERMS to maximize the position in the market. Emotion, outside needs, and personal issues sometimes cloud the decisions of sellers under these circumstances. They shouldn’t, but you, as the owner are in charge, and your broker must do as instructed. A smart seller operates on data, not emotion. He or she should be fully educated and utilize



How to Sell Business in Florida

the breadth of experience a broker has in *financing* and deal-making. Our job is to identify the best possible price range to sell your company and make you aware of the terms you are likely to encounter in the market. Those factors paired with the 20% target position you will create the most competition for your deal and LEVERAGE for you as the seller. The Market ultimately determines how much you will get for your business. If you understand it and navigate it properly, you can *leverage* it to your benefit. If you do not, well, in simplest terms, your business will likely not sell or may sit dormant for a long time.

A dirty little statistic for sellers to acknowledge is that businesses in Florida generally take almost a year to sell. Up until 2018, that number stat held firm, but in 2018 inventory was at an all-time low, and sellers learned to price correctly, resulting in a dramatic increase in deal velocity (speed). Deals are like fish in a fish market. When clean and fresh, there is demand...let them sit for too long and they stink. DO NOT BE A STINKY FISH!

SOLD BUSINESSES - DAYS ON THE MARKET

Step 3 & 4

We Confidentially Network & Market The Sale

Sellers often wonder how we sell something without letting people know it's for sale. In short, we do it CAREFULLY. A myriad of protocols and procedures are applied to ensure the sale is managed securely. Confidentiality Forms, Buyer Financial Vetting, Background Checks, Standardized Processes, Buyer Education, and Technology are implemented in a manner to secure your data and the secrecy of your deals. In addition, meetings are conducted after hours at your facility, off-site, or in our offices to minimize the risk of exposure. We have counted inventory at midnight, met with owners in the pre-dawn hours, worked weekends, and holidays to minimize risk and meet the needs of our customers. It's part of the job and one we take very seriously.

Networking means exactly what it sounds like: Unlike brokers who are in this business for two or three years as a hobby to carry them to retirement, *we have been doing this since 1979*. I personally have been doing this for 15 years. Brokers and buyers alike know who we are and come to us because our reputation is solid; we are professionals. With over 10,000 sold transactions, we have collected a database second to none, and prospects are hit weekly from our newsletter of new listings. Our Custom CRM is one of a kind with buyers profiled by industry and geography matching listings to their needs (your boutique broker ain't got that.)

One of the things that business owners fail to identify, and many brokers discount is the need for your broker to be an exceptional marketer and salesperson. Skills in finance, accounting, and deal structuring are certainly part of the job of a broker or M&A Advisor, but more and more today MARKETING & SALES is *the force multiplier* that drives visibility, competition, and deal completion.



How to Sell Business in Florida

The business brokerage, like many industries, is in a period of disruption driven by the internet. Mastery of the Craft of Business Sales along with Marketing and Sales Craft is VITAL. When you interview your broker, make sure he or she has positioning at the top in market share of listings (buyers look at multiple deals and migrate from deal to deal before pulling the trigger), and a presence on all the business listings sites including [bbfmls](#), [businessbroker.net](#), [bizmls](#), [bizbuysell](#), [dealstream](#), [globalbx](#), [businessesforsale.com](#), [mergerplace.com](#), [ibba.com](#), [tworld.com](#), and [bizmarketflorida.com](#).

In addition, the art of leveraging social media in all its forms all contributes to the visibility of your deal. Everyone understands that the [attention](#) of consumers and buyers is critical to getting your deal to the masses. We are in a global market, and immersive online marketing is critical if you are to improve your salability. How it worked 5 to 10 years ago doesn't cut it. The world is changing rapidly. We have even embraced [video](#) and voice platforms with our [SoundCloud page](#) and [podcast](#), recognizing the implications of smart devices, with 55% of consumers searching for business information in voice format.

Look back to your initial impressions when you were interviewing brokers. Now go back and add an assessment of their skills in marketing and networking. Twenty years ago, businesses still got sold through the classifieds and word of mouth. Today, as we are part of a digital world, print advertising holds less and less of peoples' attention, and now buyers turn to websites, [YouTube channels](#), Alexa skills, [Twitter](#), Facebook, Instagram, and even [podcasts to find listings](#). Your business broker must be not only a master of financials and selling but skilled at digital marketing and competing in the busy space that is the internet.

As a seller, it is absolutely critical that you ensure the marketing competency of your broker and the firm he or she represents. A unidimensional brokerage leveraging only the MLS or [bizbuysell](#) will not sell your business at the highest price possible.

As a business seller, you should have a thorough understanding of buyer behavior. The economic buyer behaves differently than the strategic buyer, and where they spend their time looking for businesses is as diverse as the number of fingers and toes on your hands and feet. Some buyers proactively reach out to brokers, others monitor listing sites, some listen to podcasts, while still others are visual and prefer to watch videos. Your broker needs to be talented and compete actively for space on all those platforms and mediums to gain find the ready, willing, and able buyer.

Our aggressive marketing program ensures your confidentiality and provides maximum exposure for your company. We are the market share leader worldwide for listings and the go-to platform for brokers and buyers alike. Your business is exposed in a confidential manner while highlighting the key elements that attract the right prospects.



How to Sell Business in Florida

Step 5

We Control The Information Flow

Knowing what to give, when to give it, and how to present it matters deeply. In some transactions, there will only be three parties to manage: buyer, seller, and closing agent. In others, you may have quite a few more: *bank*, *closing agent*, buyer attorney, *seller attorney*, appraisers, *seller CPA*, buyer CPA, *buyer broker*, and *seller broker*. Having a central control point for communication and information ensures accuracy, manages the confusion and mitigates miscommunications. An experienced brokerage is elemental to this process as with experience; they can control the flow of information and package it correctly. The ability of the firm to retain that information is important post-close should any disputes or legal matters arise. The flow is important as there is a fire hose of information being pushed back and forth. The broker, with his or her singular focus, can keep all the parties on task, keep track of the information that has been exchanged, and serve as a sounding board for the parties.

At Transworld, our bandwidth is massive and our resources deep with tech platforms for data retention, deal rooms to manage documents, and staff with special expertise in industries. We routinely partner with professionals who are skilled at tax mitigation and deal structure to ensure you not only get the best price possible but the best terms for your particular circumstances. Boutique firms are ill-equipped for large transactions due to their lack of resources. This lack of resources can often cause a deal to fail. Sellers need to know with whom they are dealing and be diligent in choosing the partner with the proper tools to manage the volume of data being shared.

Step 6

We Create Competition For Your Company

Here's another dirty secret in the brokerage industry-- There are many brokers and intermediaries who actively seek to avoid working with other brokers in order to keep both sides of the commission/fee. The economics of it are simple enough: half a fee for more work or a whole fee for less. As a seller, you must reflect on what is best for you and your deal. Is your broker working to get the best deal or not? The movie "*A Beautiful Mind*" outlines the theory of governing dynamics and game theory, and it translates well to the business sale market. The best outcome comes from creating competition.

As a business seller you need to ensure your broker is creating competition by employing both marketing tools and by leveraging the other brokers to create competition for your deal. Make sure your broker has a business model that leverages CO-BROKERING AT ITS CORE. It is vital! It is essential in the age of the internet. Ask for your brokers' co-brokering percentage; you can and



How to Sell Business in Florida

should have them prove it. If they don't know how, you should be concerned.

Here at Transworld, we attract thousands of buyers, creating competition for your business. Buyers are screened for financial ability before we ever meet. This is common for main street and mid-market level deals. Our objective is always to maintain leverage for the seller throughout every negotiation resulting in the best terms of outcome for him or her.

Ultimately, we identify the one buyer who can go the distance and actually close. While at the end of the day the final decision rests in your control, but we assist you and your financial professionals with reviewing buyer capacity. Once you meet the best buyers, we urge them to prepare and present all offers. Many times, a negotiation is doomed to fail because of lack of proper evaluation and understanding of what is realistically doable and not doable. As your business broker, we can also approach and continue to track potential buyers without weakening your position.

Step 7

We Negotiate For You To Achieve The Best Price

Appropriate negotiation is crucial to achieving your best price and terms. We have the expertise to establish sound and resourceful negotiating techniques on your behalf. Transworld has trained all of its agents in the art of negotiating using a curriculum that we have created specifically for our industry. Always be sure to have an expert in your corner when you negotiate. Take the time to form a plan for how you will execute the deal. And never negotiate from a position of weakness. Simple principles apply to our model: Leverage, Listening, Preparation, and Mastery of Timing are just some of the *negotiating techniques* we use to get the best outcome for our clients.

Core to our strategy at Transworld is a majority of the Market Share of Listings. As a seller, this is a highly desirable factor. Buyers begin to search first with what is out there. Not using a firm with a dominant market share decreases your odds of success and slows down deal velocity.

Step 8

We Provide You Support Through Due Diligence

We take pride in our exceptional service. Half of our job is finding the right buyer--one who will pay your price AND meet your terms. The other half is getting that buyer to the closing table. We quarterback the deal, working with the accountants, lawyers, banks, landlords, and other third parties, any of whom could jeopardize the success of the transaction.

The number of issues and mishaps that arise prior to a business closing is large enough to warrant a book on its own. We have leveraged contacts in foreign embassies, done remote closings overseas, coordinated, secure couriers to move money from countries in crises, and have experienced hundreds of other scenarios where our resources and leverage have been brought to bear.

Due Diligence is a particularly important phase where experience is critical. Knowing what to give,



How to Sell Business in Florida

when to give it, and how to hold parties (accountants, lawyers, and buyers) accountable to the timeline is vital. Again, owning the leverage is what keeps a deal on track because “Time Kills Deals.” We realize that you depend on us to guide you through the sale of your business. We make the transition simple and easy for you. We know when an opportunity for you may arise and are always there to take advantage of it. We also know when someone is trying to kill your deal or is being unreasonable and how to handle those situations, as well.

Step 9

We Are There From Beginning To The Closing

We help manage all administrative procedures, licenses, inventory counts, and lease assignments that may be required. Transworld works closely with your advisors to ensure a smooth transition. Using the latest technology, we strive to be ready to work on your behalf to get the deal done!

It is really important that you, as a seller, have a firm understanding of all the things that happen during a closing process. Listing and finding a buyer are frankly the easiest parts of the transaction. Getting buyers to the closing table is incredibly involved. Your advisors all must be on the same communication chain and moving in unison. The number of variables that can go wrong is overwhelming, and your advisors need to be able to anticipate and eliminate them before they become problematic. That level of competence comes with experience. For example, recently, a buyer in a foreign country experienced processing delays with a visa due to terrorism within the country. We were able to reach out to a known contact in the foreign consulate, remove the file (experience and relationships) and get the buyer and package to a neighboring country for processing in order to get the deal closed on time. Although this is not an everyday occurrence, we expect the unexpected, and we know how to get around problems deftly and swiftly. NO, and WE CAN'T are not words we use in our process.

Step 10

We Are There For The Transitional Phase And Beyond!

As an active participant in the business community, we welcome and encourage you to consult us at any time after the sale. We will provide you with any assistance you may require after the closing. Transworld will always remain in your corner! With 40 years of business success under our belt, we know what it takes to be successful, how to grow your business, and stay abreast of trends that may be of help in your business and future. Our footprint is international, and so too are our clients. We have contacts and resources worldwide, and we like to leverage that network of trusted advisors to the benefit of our past, present, and future clients.

You will find our resource pool and experience to be both deep and wide--a critical asset when bureaucratic snafus occur with attorneys, bankers, and government offices. We know how to get things done, and with our reputation and community standing can always bring it to bear when the situation necessitates professional intervention. That is something that matters on deals from time to time.



How to Sell Business in Florida

GLOSSARY OF HELPFUL TERMS AND RESOURCES:

BLI: The one-page listing information sheet provided from the Business Brokers of Florida MLS System

E2 Visa: A type of immigration status visa used by certain treaty countries to purchase a business and get status in the US

L1 Visa: A type of immigration status visa used by certain countries to purchase a business and get status in the US

EB5 Visa: A type of immigration status visa used by certain countries to purchase a business and get status in the US

Transaction Broker: a limited form of representation assisting both a buyer and seller in the completion of a transaction.

Single Agent: a type of brokerage relationship an agent can have with specific duties including: Dealing honestly and fairly, Loyalty, Confidentiality, Obedience, Full disclosure, Accounting for all funds, Skill, care, and diligence in the transaction, Presenting all offers and counteroffers in a timely manner unless a party has previously directed the licensee otherwise in writing; and Disclosing all known facts that materially affect the value of residential real property and are not readily observable

Fiduciary: A person who holds a legal or ethical relationship of trust with one or more other parties

CPA: A certification for an accountant. There is a fiduciary relationship associated with CPAs

Recast: The accepted accounting principle of removing or adjusting items on your financial statements that are unrelated to the ongoing business

Owner Benefit: The pretax and pre-interest profits before non-cash expenses, one owner's benefits, one-time investments, and any non-related income or expenses. Also known as SDE or SDI (sellers discretionary earnings/income)

Sellers Discretionary Income / SDE: The pretax and pre-interest profits before non-cash expenses, one owner's benefits, one-time investments, and any non-related income or expenses



How to Sell Business in Florida

Cash Flow: The net amount of cash and cash-equivalents being transferred into and out of business. At the most fundamental level, a company's ability to create value for shareholders is determined by its ability to generate positive cash flows, or more specifically, maximize long-term free cash flow

EBITDA: In simplest terms, it is the sum of the earnings before interest, taxes, depreciation, and amortization. Different from SDE or Owner Benefit, EBITDA multiples are higher and do not account for owner salary. Primarily used for larger businesses and M&A transactions

Due Diligence: The period post -accepted offer when a buyer gets to review the financials and records of the target business to determine if representations are accurate

Contingency: A clause that must be fulfilled in a contract or waived by a party

BRG / Business Reference Guide: A resource compiled by business brokers annually listing pertinent information regarding types of businesses including but not limited to rules of thumb, common metrics, and percentages relevant to the business and industry.

Pratts Stats: Another resource available for purchase which includes recent sales by vertical, category, revenue and profits

IBBA: The International Business Brokers Association. This is the largest association of business brokers in the world. Offers training to brokers to get CBI (certified business intermediary certification)

CBI: Certified Business Intermediary earned by completion of coursework from IBBA

CMAA: Certified Mergers & Acquisitions Professional: Earned subsequent to completion of coursework at Kennesaw State University in concert with the M&A Source.

M&AMI: Master Mergers Intermediary: Performance-Driven earned through completed CBI Certification and proof of closure of Multiple Deals over 1 Million Dollars

BBF: Business Brokers of Florida. Largest Business Brokerage and sponsor of the BBFMLS listing platform



How to Sell Business in Florida

BCI: Awarded by Business Brokers of Florida. Earned as a result of completed coursework from IBBA and completion of over 12 transactions.

LOI / Letter of Intent: A non-binding document outlining the general terms and price under which a buyer proposes to purchase the assets of a particular business. If signed by the seller, it indicates that both parties intend to move forward in completing the transaction.

PSA / Purchase and Sales Agreement: A purchase and sales agreement. There are commonly two versions used in central Florida. One from the *Business Brokers of Florida* and the other version used by *Transworld Business Advisors*.

Addendum: An agreed-upon addition to the original contract signed by all parties. It details the specific terms, clauses, sections, and definitions to be changed in the original contract but otherwise leaves it in full force and effect. Key is in addition to the existing contract

Rider: A rider is often used to add specific detail and especially specific conditions to a standard contract such as an insurance contract

Closing / Transaction Attorney: An attorney/agent preparing and executing the closing transaction. Not working for either party as a fiduciary nor providing legal advice. Fees for closing are traditionally split by both parties unless negotiated otherwise

Occupational Licenses / Business Tax Receipt: Otherwise known as a business license, this is a tax from the county or municipality where the business is located authorizing your business to conduct trade

4cop / 2cop / SRX: Liquor License types commonly associated with business transactions in Florida. They are respectively full liquor, beer and wine, and a full liquor license for an establishment meeting a minimum number of seats and where over 50% of the revenue is from food

NDA / Non-Disclosure Form: A document used by parties in a transaction to secure the confidentiality of the information shared and nature of the process and facts pertinent to the deal.



How to Sell Business in Florida

BUSINESS BROKERS of FLORIDA STANDARD CONFIDENTIALITY/DISCLOSURE

_____, herein known as PROSPECT,
acknowledges and agrees that PROSPECT approached Transworld Business Advisors Orlando (BROKER), and that BROKER was the first to
advise them of the availability and details concerning the following business and/or real property opportunity:
LISTING NUMBER _____ BUSINESS DESCRIPTION: _____

1. PROSPECT understands and agrees that all dealings concerning the opportunity above will be handled through BROKER and that BROKER has entered into agreements with Sellers for the payment of commissions. BROKER will furnish to PROSPECT certain proprietary information relating to the various operations, properties, personnel, financial and other matters which are non-public, confidential or proprietary in nature and are hereinafter referred to as "Proprietary Information." The Proprietary Information will be kept confidential and shall not, without the prior written consent of BROKER, be disclosed by PROSPECT or its agents, representatives or employees, in any manner whatsoever, in whole or in part, and shall not be used by PROSPECT, its agents, representatives or employees, other than in connection with the purchase of one of the opportunities described above. PROSPECT shall be fully responsible for any breach of this Agreement by itself, its agents, representatives or employees. The Proprietary Information (including any copies thereof), will be returned to BROKER immediately upon BROKER'S request. PROSPECT agrees that it shall not retain any copies of the Proprietary Information supplied pursuant to the terms and conditions of this Agreement.

2. Any and all information provided to PROSPECT is provided for informational purposes only. BROKER does not make any representations and/or warranties as to the accuracy of the information provided and that PROSPECT is to make his or her own independent evaluation of the opportunities described above. PROSPECT acknowledges that BROKER has advised PROSPECT to seek independent professional advice in the review and evaluation of the information provided and that PROSPECT should seek the advice of an attorney and/or certified public accountant. PROSPECT agrees not to use information provided to compete against the Seller.

3. In the event PROSPECT discloses the availability of said designated opportunities to a third party who purchases a business without BROKER assistance, then PROSPECT, in addition to the remedies specified herein, is also responsible for payment of BROKER'S compensation which would have been paid on the listed selling price or minimum compensation, whichever is greater.

4. For two years from the date of this Agreement, PROSPECT agrees not to deal directly or indirectly with the Sellers of the opportunities listed above without the prior written consent of BROKER. If PROSPECT enters into a sale and/or purchase agreement, a management contract or other financial arrangement with a Seller of an opportunity, including a leasing of the business premises from the Seller or its Landlord is consummated, PROSPECT shall be liable for any and all damages BROKER may suffer, including but not limited to the Seller's commission payable on the sales price or minimum commission due under the Listing Agreement with Seller, whichever is greater and, any commission due on the lease agreement negotiated with the Landlord. PROSPECT agrees and does hereby appoint BROKER its attorney in fact to execute all documents necessary to place a lien on the business assets to collect its compensation, and this Agreement shall be the consent to do so as required by Florida Statute 475.42.

5. This Contract shall be governed by the laws of the state of Florida. Any breach of this Agreement shall result in the prevailing party being entitled to receive from the other party all of its reasonable attorney's fees, costs, and expenses incurred at both the trial and appellate levels. The parties hereby consent to personal jurisdiction and venue for any action arising out of a breach or threatened breach of this Agreement in the Circuit Court in and for County, Florida. The parties hereby agree that any controversy which may arise under this Agreement would involve complicated and difficult factual and legal issues. Therefore, any action brought by either party, alone or in combination with others, whether arising out of this Agreement or otherwise, shall be determined by a Judge sitting without a jury.

6. The Seller is the intended beneficiary of all covenants of PROSPECT which benefit the Seller, including without limitation the covenants concerning the use of information disclosed to PROSPECT, and a Seller may bring an action to enforce such covenants. PROSPECT represents and warrants to BROKER that PROSPECT does not represent a third party, governmental agency or competitor of the business, nor is PROSPECT employed by a competitor and the sole purpose for receiving any information regarding a business is to purchase said business. PROSPECT acknowledges receiving a copy of this Agreement and a facsimile copy with signatures shall be considered as original.

_____. Document ID and Source- _____

PROSPECT Signature Date

_____. Agent for Selling Broker BBF-439018 Michael Shea

AGENT Signature Date

Transworld Business Advisors Orlando PHONE: (407) 226-7171 DIRECT: (407) 745-0466

1999 WEST COLONIAL DRIVE CELL: (321) 287-0349

ORLANDO, FLORIDA 32804 USA FAX: 954-449-8518

EMAIL: mike@tworld.com Page 1 of 1 BUN Form 352. 10125/2007



How to Sell Business in Florida

Listing No: BBF-439-60321 *Lender Pre-Qualified* *Should Qualify For Visa*

Public Pictures: ☐ ☐ ☐ ☐

Category : Child Care SIC : 8351

Detail : Day Care & After School Price : 599,000

County : Seminole Down : 141,368

State/Prov : Florida Adj Net : 134,618

Country : USA Sales : 1,189,215

This Seminole county APPLE/Gold Seal facility provides services for children from infants to 12 years old in their 13 classrooms. It is located near major highways allowing for convenient access to commuting parents. The 18,984 s.f. facility is licensed for over 400 students runs at 55% of capacity due to the owner residing overseas. An owner-Director could increase enrollment 50%, make great money, and still have plenty of capacity. Great business for an E-2 or EB-5. Other add-back is Director pay

Reason for Sale : Seller lives outside the U.S

General Location : Seminole County

Organization Type : 'LLC' Hours Owner Works: 10

: Years Established: 10 Years Owned: 7 Emp FT: 27 Emp PT: 0 Mgrs: 1

Non Compete : Miles: 10 Years: 2 Weeks Training: 2 Cost: 0

Operating dys/hrs : M-F 6:00am-6:30pm

Skills/Licenses : Directors Credentials, if replacing the existing director

Business is : Relocatable: N Home Based: N Franchise: N Lender P/Q: Y

Data Source Tax Return Tax Return Tax Return

Year (Cash Flow) 2017 (Y) 2016 (Y) 2015 (Y)

Gross Revenue 1,189,215 1,176,441 1,066,286

Cost of Goods 88,500 72,643 75,588

Gross Profit 1,100,715 1,103,798 990,698

Expenses 1,081,699 1,079,094 1,031,711

Net 19,016 24,704 -41,013

Owner Salary 0 0 0

Benefits 1,092 20,185 -13,800

Interest Expense 73 0 0

Depreciation 57,945 53,738 56,716

Other 56,492 54,124 50,058

Owner Benefit 134,618 152,751 51,961

Accounts Rec 0 N* Real Estate 0 N*

Inventory 2,000 Y* Vehicles 25,000 Y*

FF&E 50,000 Y* Total 77,000 Y*

Leasehold 0 N* *Included?

Lease/Month: 17428 Square Footage: 18,984 Building Type: fee-standing

Terms and Options: buyer to negotiate Expiration Date: 3/31/2019

Loan/Assumable -Amt: 0 Mos: 0 Rate: 0.00 Mo Pmt: 0.00

Loan/New -Amt: 0 Mos: 0 Rate: 0.00 Mo Pmt: 0.00

Loan/Other -Amt: 458,000 Mos: 120 Rate: 8.00 Mo Pmt: 5,556.80

MICHAEL SHEA Office: (407) 226-7171

BROKER/ASSOC Agent Direct: (407) 745-0466

Transworld Business Advisors Orlando FAX: (954) 449-8518

1999 WEST COLONIAL DRIVE Cell: (321) 287-0349

ORLANDO, FLORIDA 32804 EMAIL: mike@tworld.com

USA Home Page: tworld.com

The seller provides all data and financial information on this business for informational purposes only. The broker does not warrant the above information and advises the buyer to seek professional advice when purchasing a business. This offering by the seller is subject to change or withdrawal without notice. This information sheet has been provide on a confidential basis exclusively for: ____michael shea____