



EXECUTIVE ADVOCATE PROGRAM

Presented by:

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Executive Summary: The International Business Brokers Association states that of all the businesses listed for sale, less than 20% of them will actually sell. That means that there is not a lot of good inventory on the market today. Additionally the businesses that are fairly priced are attracting a lot of Buyers, causing a bidding war. Buyers who are not experienced or knowledgeable about buying a business may get frustrated and may see their dream of business ownership go up in smoke.

Program Overview: This program is offered as an enabling process for Buyers considering the purchase of a business. In today's market, there are an enormous amount of Buyers entertaining the thought of improving their lifestyle by purchasing a business or a franchise as a means of, earning income, gaining control of their lives, and to support their retirement. In addition, many successful business owners now realize that once successful, it's cheaper and faster to acquire than to build from scratch.

Sadly, 95% of all prospective Buyers never purchase a business, mainly due to frustration. They are frustrated because they are misinformed, there is no road map or process assisting the Buyer, there is a general lack of trust with the Intermediary who is being paid by the Seller, and most of the good inventory for sale on the market today is a bidding process. Frankly, there is no one on the Buyers side to provide comfort and trustworthiness.

Murphy Business has implemented this formal program to assist Executives interested in understanding the purchasing process, and to have representation assist them methodically find the business or franchise that makes most sense for them, based on their financial means and personal/organizational capabilities.

The following information will detail our thorough program, providing the Business Buyer a trusted advisor working with them through this complex process.

Program Benefits:

This program will guide Buyers through the minefields of businesses and franchises that are currently being marketed for sale, and can optionally also find the best business opportunities that are not on the market. There are many business owners ready to sell their business now but not yet ready to list it.

(Optional) Professional Branding Workshops:

More important than the businesses for sale, is the Buyer's qualification and personality. The Executive Advocate Program, in our Professional Branding Workshops, offers the opportunity for the Buyer to understand their unique and personal business strengths before exploring the open market. These workshops are available privately to individuals or groups, or on a scheduled basis with the University of Texas Arlington. In these optional workshops, a Buyer will discover;

- a) Do they have the personality and personal interests appropriate to own a business or a franchise, or to acquire a different but related business?
- b) What are the talents and skills learned from their prior work experience that are transferable to new business ownership?
- c) What business environments are most suitable for their success?
- d) What can they afford to buy based on their current financial situation?
- e) What other potential paths might be better choices for them?

Once knowledgeable about their own business strengths, a Buyer can better search for business and franchise opportunities that match them. The Executive Advocate intermediary can assist in helping locate available opportunities and evaluate them with the buyer.

Often, a good match is not currently available in the market.

(Optional) Private Business Search Process:

If a business opportunity match is not currently available for a Buyer we can also conduct an optional private **Business Search** to locate existing businesses or franchises, not for sale but still available, that potentially match the Buyer's Profile.

- a. **Business Search** requires a combination of Internet search, mailing letters and generating phone calls to perspective business owners in the geographical areas and the specific industries identified in the search assessment. TeleLeads and Mailings will be done using the

professionals at our company headquarters in Clearwater, Florida. These departments devote themselves exclusively to reaching out to small business owners to also develop our own business listings. You will have the advantage of best marketing practices from the business broker industry.

- b. We will qualify each business or franchise to ensure that the seller is motivated to sell, has reasonable expectations, has good documentation regarding books and records, that a lender can finance the business, and most importantly meets the criteria established by our research.

Business Acquisition Process:

Having located a business from listings or through a private search, we will conduct an “as is” assessment of the business, generally using a Broker’s Opinion of Value (BOV). Our goal is identify the true enterprise value of the business we are pursuing. You do not want to overpay for the business entity you are considering so it will be important for the Seller and the Buyer to understand the value of the business we are pursuing. A Broker’s Opinion of Value will establish a benchmark for a possible acquisition price and will be done for all opportunities. When appropriate a 3rd party appraisal may need to be obtained.

We may need to determine the fair market value of the real estate, building and land, in order to offer a fair price to the seller. We will assist the Buyer in understanding the pros and cons of purchasing the real estate with an optional CCIM Broker’s Price Opinion (BPO) from our Commercial Real Estate Division.

In order to purchase a business, a Buyer will likely require **financing**. We will assist the Buyer working with traditional lenders in order to be sure that if we pursue the business the Buyer is qualified and approved to purchase the business. Both traditional lending, such as SBA lending, and non-traditional lending will be explored. With little return on savings, there is a great deal of pressure on financial institutions to find good investments. The lending markets are very dynamic at this time.

We will assist the Buyer with the **Offer to Purchase** or **Letter of Intent** addressing the purchase price, terms and conditions. We will negotiate on behalf of the Buyer to achieve the best terms and conditions in order to complete the transaction.

Due Diligence will ensure the Buyer that the books, records and operations of the business is as stated, and the balance sheets items such as inventory, accounts receivables, equipment, furniture and fixtures are valued correctly. We will assist the Buyer and their advisors to achieve proper due diligence in the review of the businesses books and records.

Throughout the process we will work with the Buyer and Seller in negotiating the **deal points**, and assist each party with **deal structure** so that all parties are satisfied with the transaction.

Deal Structure – Deal Points: Our work here will answer all of your questions. What is the best deal structure that would provide a return on investment for the Buyer? What would the seller accept? How do I ensure I won't overpay? What are my tax consequences? How much cash will be required? How much money it will it take to operate the business ongoing? Can I make a living owning this business?

A tax specialist may develop tax strategy if the situation requires it.

We will monitor that adjustments and prorations are handled smoothly making it an easy transition for the buyer and seller.

Finally, assistance with the closing process will ensure that the transaction and agreements are documented correctly.

Fee Arrangement:

This program contains the following fee arrangements:

Business Acquisition Commission: The Buyer will pay to the intermediary at closing 6% commission of the sales prices for the first \$1 million dollars and 4% for the remaining portion of the purchase price. Any optional fees paid for **private workshops** and/or **private searches** to this point (see below) will also be deducted from the overall commissions due down to a minimum of \$7,000. The intermediary will have assisted the buyer with obtaining necessary information, business valuations, negotiations, deal structures, financing, and closing procedures. **If no optional services (below) are requested, there is no obligation unless the Buyer successfully closes.** This fee is often included as a part of the Offering for the business.

Optional Professional Branding Workshop - \$1,000

A private workshop for an individual or small group consisting three 2-hour sessions:

- 1) Building Organizational and Personal Business Models
- 2) Self Discovery of Personal Business Strengths
- 3) Customer Discovery and Business Evaluations

These workshops are also periodically available to the public through the UTA Center for Enterprise Development for \$199 plus the cost of the workbook, Business Model YOU. In Section 5 of the book Bob Fariss, an Executive Advocate at Murphy Business, is acknowledged as a potent contributor of the materials. Bob facilitates the UTA workshops.

Optional Business Search - \$5,000 (prorated for larger or multiple searches)

A private Business Search by the Murphy Business staff includes the following:

- 4) Specification of the Business Search Criteria
- 5) Business Search over approximately 300 candidate prospects
- 6) Review of potential targets found by Search

Optional third party services:

Additional services may be of value, at market rates, during the engagement including:

- 7) Independent Full or Limited Scope Business Appraisals
- 8) Real Estate Valuations (BPO's) or Appraisals
- 9) Initial Business Plan/Model Development
- 10) Outside Tax Review
- 11) Alternative financing
- 12) Professional Legal, Tax, or Accounting advice

In summary: the Executive Advocate Program is designed to make the acquisition process easier for the Buyer. We will do all of the preparatory work, BEFORE you buy, rather than sell you something that you cannot afford to operate, you don't have the physical or psychological make-up to operate, or have the business will fail because of poor planning.

Let's get started today looking for the business or franchise that will help you achieve your potential and finance the rest of your life. Time is money and this is the quickest route to a successful business transition. We look forward to assisting you.