



Paul Hall welcoming everyone to the official opening of the offices.



Mark Hand preparing to officially open the new office.



WHK Thomsons Loxton is now located at 35 Bookpurnong Terrace.

# Loxton Opening

With the opening of newly constructed and purpose built office premises the WHK Thomsons Loxton team can now boast the most modern office building in Loxton. It has been some time since any new office buildings have been constructed in the area, and it is indicative of our commitment to the community of Loxton and the Riverland.

The developer behind the construction, Mark Hand of Hand Built Homes Pty Ltd, also a leading businessman of the region, officially opened the offices on Thursday 19 July. With over 100 clients and staff in attendance a great evening was had by all.

WHK Thomsons Loxton Principal Paul Hall said the opening was a significant moment for the business. "We have recently made substantial investments in our community and are very excited about the future".

## Staff News

Many of our staff are involved in continuing professional development with exams scheduled mid-year. Reflective of our ethos to provide Total Financial Solutions our staff are studying a variety of courses and all with exceptional results. Congratulations to; Joanne Waugh who achieved Distinctions and High Distinctions

in her Bachelor of Financial Administration studies, Robyn Bartsch for completing the Diploma in Financial Planning, Carmel May and Ben Chatfield on completing units towards the CPA and CA designation, Paul Chalmers having completed his CFP certification, Brennan Poulton having completed Certificate V in Financial

Services – General Insurance, Tori Jachmann having completed her Bachelor of Commerce Degree, Josh Porker having received a CPA Australia Merit Award for his studies whilst completing his Masters of Commerce and Mark Vorwerk for receiving High Distinctions in his studies for his Degree course.

# Getting the best price for a small business

There can be a ten-fold difference between the lowest and highest prices people are paying for small businesses. The latest research shows an alarming trend of an increasing number of small business owners selling their businesses for less than their real value – they were virtually giving the business away.

The market punishes vendors who are poorly prepared and rewards those presenting quality businesses in a professional way.

When you are selling a business, it is very important to consider your potential buyers. For small buyers, the likely buyers fall into four categories.

1. Your employees, suppliers and customers.
2. The large number of potential new owners currently working for someone else.
3. Experienced business owners.
4. Family members.

In Australia, the first group tends to be the last to know that you are selling, despite the fact that they are recognised as a key buying group. Getting the best price from this market is complicated, which is why it is often the market of last resort.

The complication relates to the sharing of key information during negotiations when it is still possible that the deal may not proceed and you may be left with a key stakeholder having significant unwanted knowledge of your business.

If this trust issue can be overcome then your knowledge of them can play a part in presenting the business in a positive light. For example, if one of your employees has an open ambition to be their own boss, then you can emphasise this aspect to them.

Alternatively, if a supplier or customer has shown significant interest in the operational aspects of your business, you may be able to demonstrate the advantages of them combining the two businesses.

By far the largest market for people looking to sell a small business is people currently employed elsewhere. Typically, they are looking for a business that can provide a reliable income stream and a role that they will enjoy doing.

Unfortunately, the large volume of potential buyers is not necessarily translated into high prices. There are a number of reasons for this with the most significant being that many of the potential buyers simply cannot afford the purchase.

While it is possible to get a better price by selling under terms – for example with payments spread over a period of time – this also introduces some risk in that the value of the business may be adversely affected by the new owner before you are paid in full.

A safer alternative is to assist them to obtain finance elsewhere. To do this, be prepared to provide some financial history to assist your prospective buyer to get their bank onside.

If your potential buyers are in a position to afford the business, then the other key thing to promote is the lifestyle potential that the new business may offer. The thought of being one's own boss is very appealing to many.

To get the best price, be prepared to present your business so that it attracts the most buyers that can afford to purchase it.


This will require that you have plenty of information at hand to respond to various inquiries about different aspects of the business. How you respond to these questions will often determine the price people will be prepared to pay. You should consult your WHK adviser to assist, and if so required, the wider WHK group has a corporate advisory division that has assisted in the successful sale of many businesses.

Edited extract from SmartCompany: Andrew Kent



**Total Financial Solutions**

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