

THE DONALD COOPER CORPORATION

Speaking and coaching internationally on management, marketing and profitability



Management tool #B-25: ©

The math of selling our business for the price we need...to have the retirement we want:

Part #1...the math:

1. We want to 'cash out' by selling the business in ____ years, which is the year _____.
2. Annual after-tax income we need in retirement to live the life we want is..... \$_____.
3. Minimum amount we need invested to safely generate that annual income and to leave a legacy of \$_____ is \$_____, assuming an after-tax return-on-investment of ____%.
4. Less the realistic value of 'other investments' we already have.....\$_____.
5. Therefore, the net amount we need to receive for our business is.....\$_____.
6. The multiple of earnings for which successful businesses in our industry typically sell is __ times sustainable earnings.
7. So, our business needs a sustainable net profit of \$_____ by the year _____.
8. Our annual net profit currently is.....\$_____.
9. What are the odds that we can make this profit growth happen and, if not, what are our best options?
10. **Note:** Are there assets in the business like real estate or patents that can be sold separately from the business to optimize our return? What are they _____ and what might they be worth.....\$_____?
11. Will we sell the business to family, to our employees, or to an outsider? If we sell to family or employees, how will they finance the purchase? What expert business valuation, legal, accounting, tax planning, life insurance or business brokering help do we need to make this all happen smoothly and profitably? This is no time to take advice from amateurs. Look for experts with a proven track record.

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Part #2...the important and urgent action that we must take to make our business as profitable as it needs to be, or to find other options by the year _____ are:

- 1. _____
_____.
- 2. _____
_____.
- 3. _____
_____.
- 4. _____
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- 5. _____
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- 6. _____
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- 7. _____
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- 8. _____
_____.