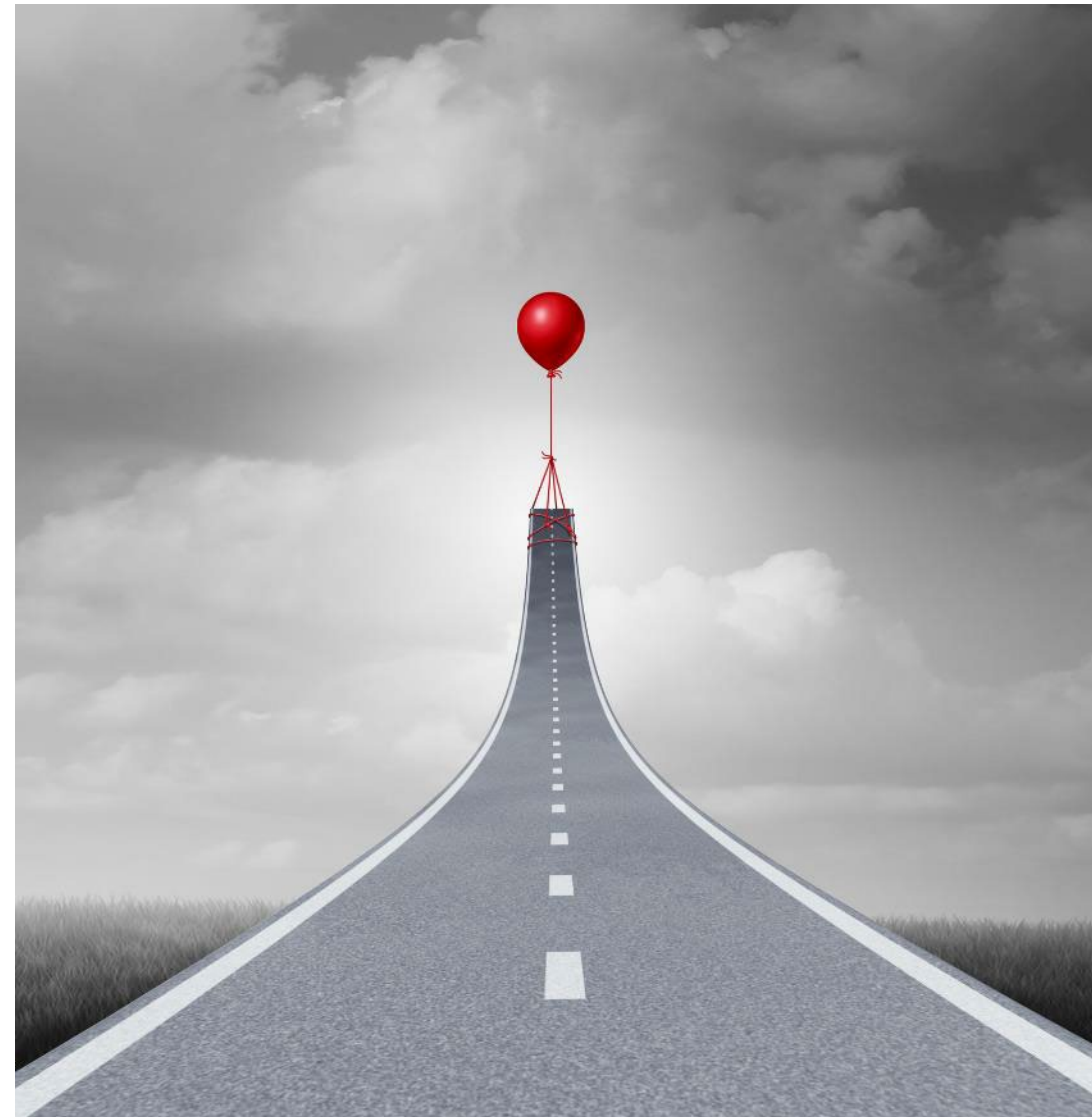


THE ROADMAP TO GREATER BUSINESS VALUE & SELLABILITY



Presented by Jim Kahrs
President, Founder - Prosperity Plus

THIS WEBCAST

- Introductions
- Plotting the Course
- Avoiding Mistakes
- Major Focus Areas
- Summary
- Your Questions

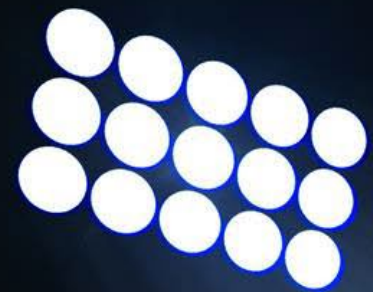


INTRODUCTIONS

JIM KAHRS

- 37 Years in Business Systems
- Started Prosperity Plus in 2001
- “Achieve Your Goals by Improving Profit, Cash Flow & Growth.”
- M&A, Valuations, Succession Planning (>350 Transactions)
- Marketing Programs
- Consulting Based on Experience + Highly Successful Hubbard Management System & Value Builder System





"IF YOU DON'T KNOW WHERE YOU ARE GOING, YOU'LL END UP SOMEPLACE ELSE"

YOGI BERRA

EARLY STAGES

- Determine what you want to achieve now and in the future.
 - Business Growth
 - Lifestyle
 - Maximum Profit...
 - There are no right or wrong answers.
- Identify your desired end game.
 - Sell the business, pass it on to the next generation, sell to employees...
- Set a timeline for your end game.
- Be sure to have all legal documents and rudiments in place. Review regularly.

THE LONG HAUL

- Always work with the end game in mind.
- Success comes from many small decisions and actions along the way.
- Major decisions should be weighed against your end game.
- Learn from the mistakes of others.



25 MISTAKES TO AVOID

1. Leaving business management on auto-pilot.
2. Running the business with the goal of paying little or no taxes.
3. Not having clean, easily comprehensible financials.
4. Having backlogged financials or reconciliations.
5. Taking on debt for operating expenses or to compensate for a business model that falls short.
6. Not reviewing and managing from financials **EVERY MONTH**

25 MISTAKES TO AVOID

7. Not paying yourself at least market rate compensation.
8. Not having the business pay market rent when the facility is owned.
9. Focusing on growth without regard for the bottom line.
10. Not focusing on recurring revenue and its profitability.
11. Allowing profitable divisions to carry unprofitable ones.
12. Having contracts that don't allow for assignment.
13. Having the wrong corporate structure.

25 MISTAKES TO AVOID

14. Overpaying employees.
15. Not managing inventory closely enough.
16. Not properly recording deferred/ unearned revenue.
17. Not properly documenting owner add backs.
18. Not handling sales taxes correctly.
19. Not entering CPA's year-end adjustments in accounting system.

25 MISTAKES TO AVOID

20. Handling sales yourself with no commission paid.
21. Having outdated or undesirable agreements with employees.
22. Not maintaining up-to-date records of customer and vendor agreements.
23. Being under-insured.
24. Taking recourse on leases.
25. Having large customers with cancellation for convenience clauses.

MAJOR FOCUS AREA

- Know and drive your numbers.
 - Be sure you understand the business' financials.
 - Review them **every** month.
 - Make decisions and manage the business based on the results.
 - Create a comprehensive budget for the business and manage to it.
 - Create strong cash flow and net income.
- Groom your key people early.
 - Business maturity and acumen take time to build.



MAJOR FOCUS AREA

- Create strong process and document them.
 - Seat-of-the-pants management doesn't build value or allow for a smooth transition.
- Review your progress regularly.

SUMMARY

- Success comes from:
 - Having a strong plan.
 - Execution of the plan.
 - Avoiding costly mistakes.
 - Striving for continuous improvement.
 - Keeping your eye on the goal.





NEXT WEBCAST

ELEMENTS OF A SUCCESSFUL EXIT

SEPT 19, 2024

1 PM EASTERN

REGISTRATION NOW OPEN



QUESTIONS?

PROSPERITY PLUS



 Certified Value Builder™

JAMES KAHR

President

jkahrs@prosperityplus.com



Ph: 631.382.7762 ext. 101

Fx: 631.382.7744

60 E. Main Sreet

Kings Park, NY 11754

PROSPERITYPLUS.COM



REAL-WORLD TOOLS FOR IMPROVING PROFIT, CASH FLOW AND GROWTH.