

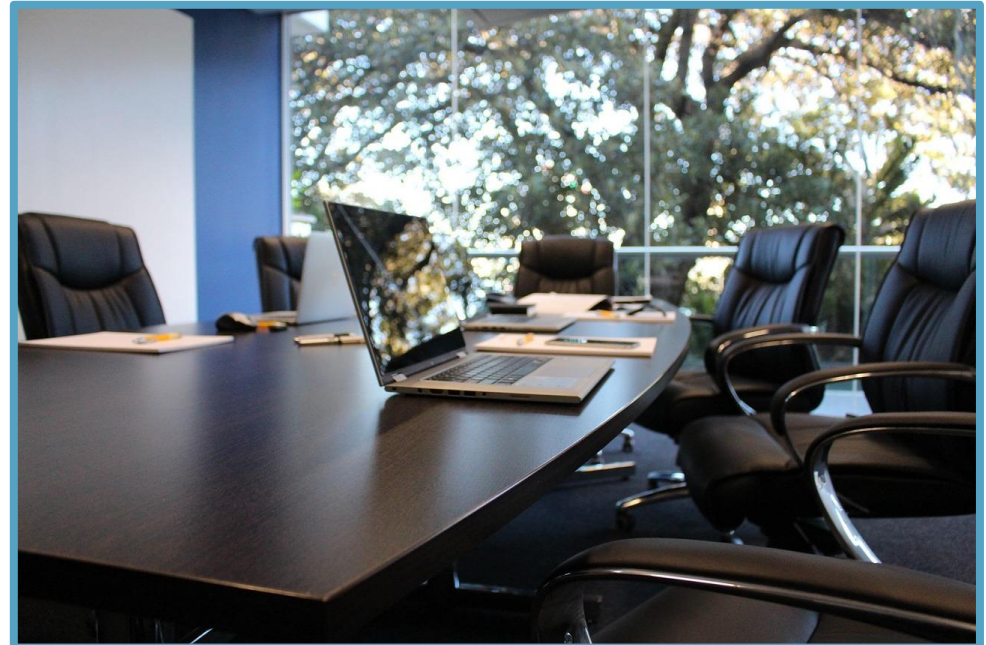
9 Step Sales Process



① Initial Meeting



We meet with you, preferably at your place of business because it gives us a better understanding of what we are valuing and selling. If you prefer to meet off-site, our offices are available or we can arrange a place closer to your business. This meeting will allow us to get to know your business and better understand what you wish to achieve with the sale, explain the selling process, and review our fees and engagement requirements. All of this is done in strict confidence. If you wish to continue with us, we move to the next step and perform a complimentary, no-obligation valuation.



② Valuation



Financial Information Checklist

- ☐ Business Tax Returns, past 5 years
- ☐ Profit & Loss Statements
 - ☐ Year-to-Date
 - ☐ Trailing 12 Month
- ☐ Balance Sheet (most recent)
- ☐ Approx. Fair Market Value of Company Assets and List of Assets
- ☐ Approx. Value of Inventory (if material to sale)
- ☐ Accounts Receivable Aging Report
- ☐ Summary of Revenue Distribution by Customer
- ☐ Lease information or real estate appraisal (if included in sale)

Business valuations take a variety of factors into account, including financial performance, industry and the type of buyer likely to purchase the business, to name a few.

Armed with this information, we will get back to you within 3 to 5 business days with an **opinion of value** detailing the range of a most probable selling price, the expected terms of a sale, and the type of buyer that would be interested in your business. Typically, we also pre-screen the transaction with third party lenders to find out if the business can be financed.

Ultimately, sellers need to know what the net proceeds of sale will be after paying transaction fees and taxes. We advise you to meet with your accountant and financial planner to determine if this sum will be sufficient to meet your financial goals before making a decision on whether or not to sell.

③ Assemble Deal Team



Accountant



Transaction Attorney

Transactions are best completed if all the advisors needed to complete the process are brought together in the beginning and kept informed throughout the sale process. This team will include us, an accountant, a transaction attorney, and your financial planner. If you don't know a good transaction attorney or if your accountant is not well versed in understanding the tax implications of a sale, we can give you names of several accountants and attorneys that could represent you.



Financial Planner



VR Intermediary



④ Buyer Type & Marketing



MARKETING

As the first step in the marketing process, a business review is drafted. This is a 10-15 page summary describing the business and market, client base, company financials, opportunities, competition, operations and personnel. The review provides enough information for a prospective buyer to make an offer.

We don't market your business until you approve this document. It is never sent to a buyer until a confidentiality agreement is signed and financial resources to purchase the business are disclosed.

IDENTIFY BUYER TYPE

We develop a target list of buyers and a methodology for marketing to them. Depending upon your business, buyer types may include either financial buyers, who are primarily interested in achieving a return on invested capital, or strategic buyers, who are interested in enhancing their business through expanding their market and/or operating capabilities. Other companies and Private Equity Groups fall under strategic buyers. Whether the marketing is targeted or broad brushed, we proceed only after your approval. Our hope is to develop three or more interested buyers, creating competition to maximize sale price.

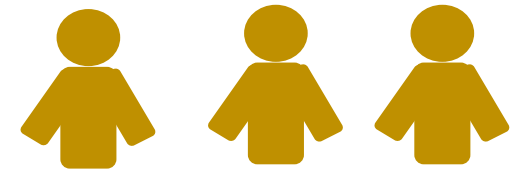
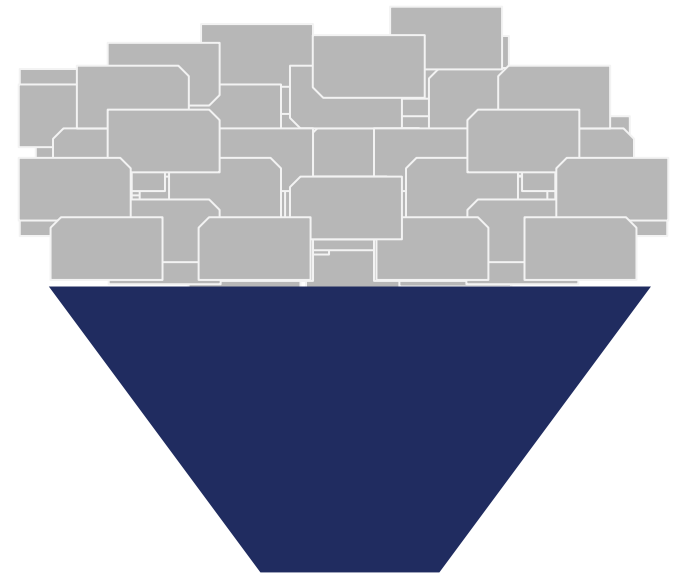
RESOURCES TO TARGET BUYERS INCLUDE

- A. Internal database of 4,000 buyers; individuals, investors, and representatives from 325+ Private Equity Groups.
- B. A subscribed database of over 2,700 Private Equity Groups.
- C. Research from subscribed databases, such as Hoovers, and internet searches to develop strategic buyer candidates.
- D. Posting a generic confidential description of the business on 7 different business brokerage websites to which we subscribe and which buyers from all over the world review.

⑤ Buyer Pre-Screening



Buyer inquiries from our marketing are vetted through interview, either in person or over the phone, after a non-disclosure agreement is signed. Once we have an understanding of the prospective buyer and their financial strength, the business review is provided. If confidentiality is a particularly sensitive issue, we will run their names by you before releasing any information.



⑥ Buyer - Seller Meeting

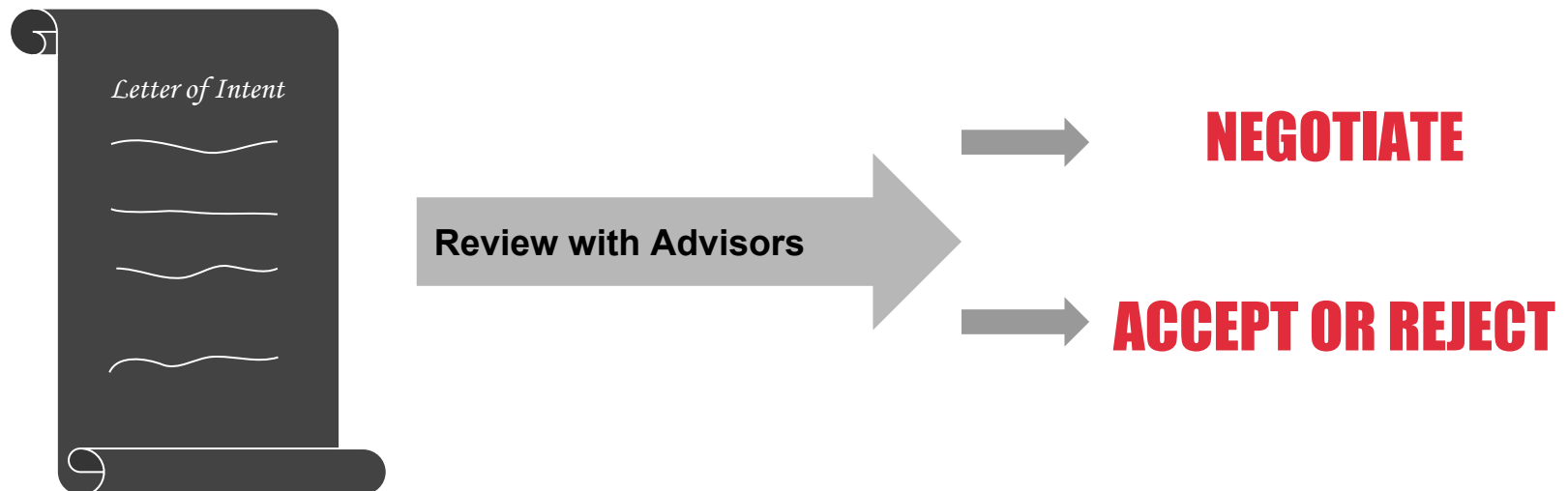


We will coordinate a meeting with you and buyers who survive our pre-screening process when they appear to be good prospects with a strong interest. More often than not, buyers want to see your business. On site visits are usually scheduled after hours or whenever you are comfortable showing the business. A representative from our firm is always present.

⑦ Offer to Purchase



After the meeting, if a buyer may wish to make an offer, we ask that they do so in the form of a non-binding **Letter of Intent (LOI)** or **Indication of Interest (IOI)** in which the basic terms of a transaction are outlined. These typically include the purchase price, terms, method of payment, training and consulting agreements, non-compete agreements, and any other critical issues the transaction must deal with. We will discuss the offer with you, make recommendations and you will decide to either accept it, reject it or continue to negotiate until an offer is accepted. In cases where there are multiple offers, we will set up a process where all buyers are treated fairly and which is conducted expeditiously so that you achieve the best possible offer.

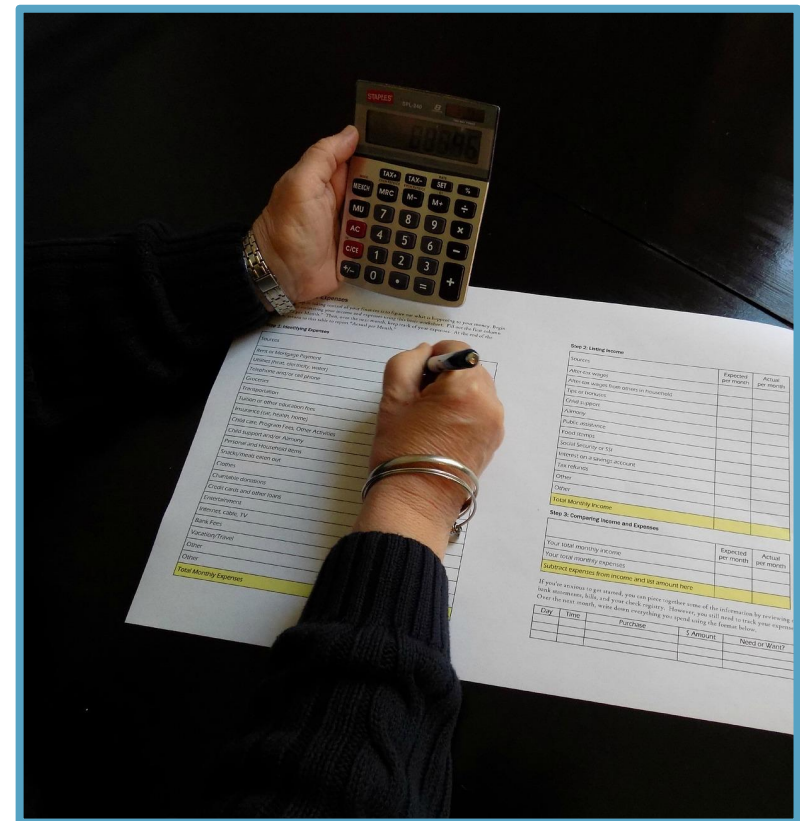


⑧ Due Diligence



Generally, once an LOI or offer is accepted, the **buyer has 30 to 45 days to perform due diligence**. During this period, you agree not to negotiate with any other party, but we continue to field buyer inquiries should the transaction not close.

During due diligence, the buyer will wish to verify much of what was shown in the business review by looking at tax returns, bank statements, copies of leases, contracts with customers and suppliers, etc. We ask that they put a due diligence list together before proceeding to ensure it is reasonable and appropriate. At the end of the due diligence period, we ask the buyer to present a draft of the purchase agreement and other documents necessary to close. In some cases, it is more appropriate for the seller to generate a purchase agreement. Also during this time, if financing is required, we may work with the buyer to secure it.



⑨ Closing



Once the purchase agreements and other closing documents are finalized between both parties' attorneys, a closing date is set. We are there representing the seller and working with the buyer every step of the way. Typically, the closing takes between 60 and 90 days from the time of offer.

60 - 90 Days
from Offer





BUSINESS SALES

Mergers & Acquisitions

VR Business Sales New Haven represents owners of businesses valued between \$500,000 and \$25 million or with annual revenues from \$1 million to \$30 million. The office provides exceptional merger and acquisition advisory services to companies operating within a wide range of industry segments in Connecticut, Southern New England and Metro NY. Independently owned and operated, the office consistently ranks within the Top 10 of over 50 offices worldwide with the VR franchise network.


Jeff Swiggett, CBI, M&AMI



Jeff has over thirty years of business experience including positions in engineering, manufacturing, marketing, business startup and acquisition. He owned and operated an import/export firm as well as a manufacturing company. Jeff offers a wealth of practical experience when advising clients on selling or buying a business and brings a level of professionalism to the process that makes him one of the best recognized and most admired business intermediaries in Connecticut. Jeff is one of the few business brokers in New England that has secured the prestigious designations of Certified Business Intermediary (CBI) from the International Business Brokers Association (IBBA) and a Mergers & Acquisition Master Intermediary (M&AMI) from M&A Source. He is also a member of the Board of Directors for M&A Source.

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