

## **Keys to Improving the Value of Your Company**

The first key is to have your accountant take a look at your accounting procedures and make recommendations on how to improve them. He or she may also help in preparing financial projections for the coming year(s). Getting your company's financial house in order is very important in establishing the value of your firm.



The second key is to review the reputation, image, and marketing materials of your company. Certainly, the quality of your product or service is paramount, but how your firm presents itself to customers, clients, suppliers, etc. – and the outside world – is also very important. The appearance of your facilities and customer services – beginning with how people are treated on the telephone or in the waiting/reception area – are the kind of first impressions that are critical in dealing with your customers or clients. Don't forget about the company's Web site; in many cases, it is the initial introduction to your company. Now may also be the time to update your marketing materials. The image of a company can help create a happy workforce, improve customer service, and impress those that you deal with – all of which can increase the value.

A third key is to get rid of outdated inventory – sell off any extra assets such as unused or outmoded equipment. The proceeds can be used in the business. If there are any assets that should not be included in the value of the company, such as personal vehicles or real estate, you might want to separate them from the assets of the company. This is especially important if you are considering placing the company on the market. A prospective purchaser expects everything they see to be included in the sale. If a portrait of your grandfather is your personal property, delete it from any list of company furniture, fixtures, and equipment; and if the business is for sale, remove it entirely.

Another important key is to resolve any pending items. For example, if the company has a trademark on any of the important products, and the paperwork for registering is sitting on someone's desk, now is the time to complete the filing. Trademarks, patents, copyrights, etc., can be very valuable, but only if they have been properly recorded and/or filed.

Contracts, agreements, leases, franchise agreements, and the like should be reviewed. If they need to be extended, take the appropriate action. A contract with a customer has value and if it is scheduled to expire soon, why not get it renewed now? The same is true for leases. Favorable leases for a long period of time can be a valuable asset. Do your key employees have employee agreements?

The key factors outlined above not only build value, but they also increase the bottom line. If you are considering selling your company at some point, these key issues will come back many-fold in the selling price. An M&A Advisor can help with other factors that can influence the value of the business.

One other hidden benefit of building the value of your company is that you never know when the Fortune 500 Company will come “knocking at your door” with an offer that you can’t refuse. At that point, it’s probably too late to work on some of the issues mentioned above.

*About CK Business Consultants, Inc.:*

**CK Business Consultants, Inc.** has been dealing exclusively in the sale and acquisition of petroleum and propane related mid-market companies since 1976. We are qualified, experienced, and highly professional intermediaries working with both buyers and sellers in the successful transfer of business ownership. We handle all phases of the project including initial analysis, valuations, developing a confidential information memorandum, locating qualified buyers, negotiations, and execution of the transaction. For more information, please call or email Gary Papay @ 570-584-6488, [gpapay@ckbc.net](mailto:gpapay@ckbc.net) or visit our website @ [www.ckbc.net](http://www.ckbc.net).