

Newsletter



From the Desk of SK

A business Owner recently asked me, "When should I start preparing to sell?" My answer was simple: Way before you're ready to put the business on the market. Most Owners spend years building their company but rarely step back to see it through a buyer's eyes. You don't need a sale date in mind to do that.

Start with a few questions: Can someone understand the financials? Are customer and vendor relationships documented? Who keeps things running when you're away? These can be areas to strengthen the business right now.

Clear financial records make it clear how the company earns money. Written processes lead to consistent production. A capable team gives a future Owner confidence the business can operate after a transition.

There's a personal side to preparing, too. What do you want your days to look like after a sale? How long are you willing to support the new Owner after sale? Is there a price you hope to achieve, and how does that compare with the business' value today? Thinking through those questions early gives you time to make decisions with confidence.

Preparing does not commit you to selling. It gives you a clearer view of your options, whether your next chapter is a year away or still just an idea you're considering.

If you're wondering where your business stands or what you could work on before a sale, I'd be glad to have a confidential conversation.

SK Patel
M&A Broker



The "Silver Wave" Is Generating More Sellers



As Baby Boomer business owners retire, millions of companies are expected to change hands over the next decade, bringing a substantial flow of businesses to market. Buyers will gain more opportunities, while sellers will face growing competition—making early preparation more important than ever.

The industries that may see a stronger interest are the ones Buyers are already more attracted to:

- HVAC
- Plumbing
- Roofing
- Electrical contractors
- Facility services
- Healthcare services
- Managed IT services
- Specialty manufacturing
- Business-to-business service companies



These sectors tend to have strong margins, recurring revenue, and resilience during economic shifts.

Case Study Commercial Flooring Contractor

Persistence Pays Off.

When the Owners of a commercial flooring contractor approached us about selling, they had built something rare. Over more than six decades, the company had earned a strong reputation with general contractors, schools and healthcare facilities across the southern WI area. With tenured employees, a company-owned facility, and a loyal base of repeat clients, the business was an attractive opportunity.

Our first step, though, was exploring the option of a sale to an interested employee. After reviewing our business valuation, the Owners offered their key employee financial and management support to acquire the company. Ultimately he did not move forward because of the company's size and working capital requirements, so we began our M&A exit process.

Personalized Solutions

The biggest challenge was not creating interest. It was getting a deal across the finish line. We began writing the Confidential Information Memorandum that told the company's story. The business was almost entirely commercial, completing over 150 jobs a year, from small repairs to projects worth several hundred thousand dollars. It also had an experienced team of installers, admin, warehouse staff, and project management in place. We compiled a list of potential strategic Buyers and a thorough data room with information a Buyer would request. From there, we launched our customized marketing plan which quickly produced multiple qualified Buyers and a winning Letter of Intent a couple months later. The Buyer invested significant time and resources in due diligence, including a Quality of Earnings review and bank financing. Months later, and through no fault of either party, the deal fell through. Unfortunately, this can happen.

For an Owner, this can be a very discouraging moment in the process. But rather than give up, we paused for six months and used everything we had learned. We weren't starting over; we were picking up where we left off when they accepted the first Letter of Intent just months prior. We updated the valuation, CIM, and data room, so the next Buyer and their lender would know exactly what to expect. In the meantime, one of the Owners returned full time to train an additional Project Manager. Sales and production continued growing, which only strengthened the opportunity we would present.

The relaunch was successful. More interested Buyers inquired immediately, and a potential Buyer from the first round submitted another winning LOI a few months later. Due diligence began again. With SBA financing in the mix, we coordinated the lender, both attorneys, and the Owners around a closing date that fit the company's payroll and billing cycles.

We also planned carefully for the people who made the business successful. While the Office Manager was informed from the beginning, everyone agreed to wait to announce the transition to other employees until the loan approval and closing date were confirmed. This protected confidentiality until the deal was certain. With loan approval and a final Binding Agreement, the Owners notified their team, and a staff meet-and-greet was scheduled. A paperwork session was set for the day after closing, so employees could transition without missing a beat. Banking, accounting, benefits, and vendor accounts were lined up, so the new Owner was ready to operate on day one.

Selling a business doesn't always go according to plan. What matters is having advisors who stay with you when it doesn't. We were honored to help our clients harvest the value of more than 60 years of history and see the company continue under new ownership.





Financing Options for Business Buyers

Turning Opportunity into Ownership

Buying a business rarely requires paying all cash upfront. Most acquisitions use a mix of financing sources, helping buyers preserve capital, manage risk, and support future growth. Understanding the main funding options can help both first-time buyers and experienced investors structure a successful deal.

SBA Loans: The Most Popular Choice

SBA 7(a) loans are popular because the government guarantee can support competitive rates, longer terms, lower down payments, and financing for goodwill. The tradeoff is extensive documentation and a longer approval process.

Seller Financing: A Powerful Deal-Making Tool

With seller financing, the seller accepts part of the purchase price over time through a promissory note. This lowers the buyer's cash need, adds flexibility, can bridge valuation gaps, and signals confidence in the business.

Conventional Bank Loans

Conventional bank loans may process faster and suit larger deals, but they generally require stronger credit, more collateral, higher down payments, proven management, and solid business performance.

Investor Capital and Equity Partners

Partners or private investors can contribute equity, reducing personal exposure, increasing purchasing power, and adding expertise. In return, the buyer shares profits and control, so expectations should be documented before closing.

Retirement Funds (ROBS)

ROBS structures let qualified retirement funds be invested in an acquisition without early-withdrawal penalties, subject to strict rules. They can reduce debt and strengthen equity, but require professional legal and tax guidance.

Blended Financing: The Most Common Structure

Many deals blend 10%–20% buyer equity, SBA or bank financing for most of the price, and a smaller seller note. This preserves buyer capital while reducing lender risk and aligning the seller with future success.

Beyond the Purchase Price

Budget beyond the purchase price for working capital, inventory, equipment, marketing, and transition costs. Without adequate operating cash, an affordable deal can quickly become strained.

The best strategy is not simply the cheapest money; it is a structure that protects the buyer, supports the business, and funds a smooth transition.

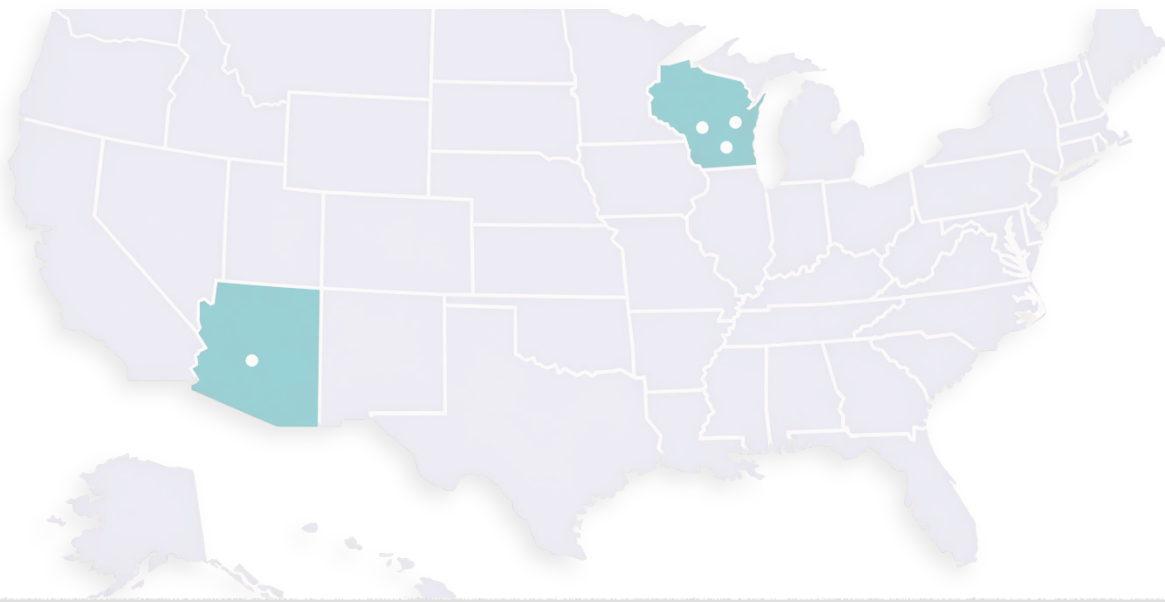
Start early, assess your financial capacity, and work with experienced advisors to choose the right mix of debt, seller support, and equity.

About SAVVY

**Business Brokerage
Business Valuation
Exit Planning**



While selling a business can be daunting, we strive to stay one step ahead and reduce your stress during the process. Our highly skilled Brokers help you plan your exit from valuation, to marketing and negotiation, to being there at the final closing. We exclusively represent you, the business Owner.



Locations

Headquarters
E10890 Penny Ln
Baraboo, WI 53913
(608) 839-7400

Dane County Branch
100 Wilburn Rd, Ste 103
Sun Prairie, WI 53590
(608) 839-7410

Fox Valley Branch
210 N Main St
Oshkosh, WI 54901
(920) 557-0050

Arizona Branch
2370 W. Ray Rd, Ste 2
Chandler, AZ 85224
(480) 896-0979

Holiday Hours
Closed September 7th for Labor Day

Sell from a position of Strength, not Desperation