



Strategy...Growth...Exit

True-North Update



April 2009

MAXIMIZING BUSINESS VALUE



"Let's see... A first class cruise around the world for one year for two people. That means your business is worth \$680,000."

Realistic Expectation of Business Value

Unfortunately, most business owners have a very inflated view of the value of their company. And why not? They have put their money, time and heart into it.

But they need to realize the price is based on what someone else is willing to pay for it. Periodically having a valuation prepared by a professional is a good way to help determine what the business owner needs to do in order to reach his or her goals.

When we work with sales organizations to help them improve their results, one of the things we tell them is, "Stop selling what you are selling, and start selling what they are buying." What is the buyer of a business buying?

Here are 5 things that buyers are buying. These areas can pay big dividends for you if your company exhibits these traits.

- 1) Consistent, predictable, and growing cash flows.
- 2) Management Team: Who is going to run the company when the current owner is gone?
- 3) Customer diversity.
- 4) Contractual, recurring revenue.

ABOUT

Compass Point, Ltd

Compass Point helps closely held and family businesses, with revenues between \$2MM and \$100MM, grow and transition the ownership of their businesses. We are a business management consulting firm that helps our clients figure out where to make their money, how to sustain their growth, and how to build a business legacy. We focus on strategy, growth, and exit. Our clients typically outperform their competitors 3:1.

Primary Services:

- * Ownership Planning™
- * Strategic/Business Planning
- * CFO Advisory Services
- * Sales Organization Advisory Services
- * Business Management Consulting

5) Written growth plan (business plan) and alignment with staff.

Value goes far beyond the blood, sweat, and tears an owner has put in their business. Ultimately, a business is valued based on the predictability and quality of future cash flows to the new owner.

Give us a call at Compass Point to prepare a valuation for your business so you know where you are on the roadmap of business value. We will help you develop a plan to get you to where you want to be.

GET IN TOUCH



Establishing True North...together.

Strategy . . . Growth . . . Exit

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SUITS

**Tom Garrity Receives 2009 SUITS Award
for Exceptional Performance in the Management Consultant
Category**

To read the complete press release, [click here](#).
For further information about Lehigh Valley SUITS, please visit
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Thursday - April 16, 2009

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Wednesday - May 20, 2009

For further details, go to www.opencourt.biz and click on
the "How to Apply" tab.

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Exit Planning Institute (www.exit-planning-institute.org)

Family Firm Institute (www.ffi.org)

Forum for Ethics in the Workplace (www.desales.edu/salesian)

Greater Lehigh Valley Chamber of Commerce (www.lehighvalleychamber.org)

Institute for Independent Business International (www.iib.ws)

Institute of Management Consultants USA (www.imcusa.org)

Lehigh Valley Economic Development Corporation (www.lvedc.org)

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