

Ownership Transition

Presenter: Charles Pecchio, Kingston Capital Corp.

The average age of a surveyor in the United State is 58, meaning a great number will soon be retiring. Proper planning of Ownership Transition can optimize a surveying firm's value and maximize the likelihood of a successful transition that accomplishes the owner's goals. Whether you are an owner looking at retirement, a middle age surveyor wishing to plan ahead, or an individual interested in becoming an owner, this seminar will help plan a successful transition.

Topics discussed include: goals; employee and family considerations; timing; preparation and planning; value optimization; different ownership transition structures, approaches, strategies and options; pay-out options; identifying potential buyers; and other key issues and considerations.

We look forward to seeing you. In order to get the most out of the session, please answer these questions and bring this with you.

- Do you have an ownership transition plan?
- When do you want to start and complete ownership transition?
- Who do you want to take care of in the sale of your business? family? employees? other?
- Who do you want/not want to buy your business? family? employees? competitor? strategic buyer? highest bidder? other?
- When do you want to stop working?
- What do you think your business is worth today?
- What is your target sales price for your business?
- Is your business a Subchapter S Corporation, a C Corporation, a Limited Liability Company, a Partnership, a Sole Proprietorship? Why?
- Are your financial statements compiled, reviewed, or audited?
- Do you have a formalized budget? Do you get monthly income statements that compare the monthly and year-to-date results to the budget and to last year?
- For each of the past three to five years, what are your gross revenue, profit/loss, and EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization)? What discretionary expenses might be adjustments?
- What makes your business worth more or less than others in your industry – unique products/services, value of contracts, talented staff, average age of staff, etc.?

- Do you have a strategic plan? How often do you update it?
- How many sales people do you have in business development?
- Do you have incentive plans for employees? Do you have an equity participation plan?
- Do you have standard client contracts that limit your liability? Do you carefully review all new contracts before they are signed, especially when the client provides the contract language? What types of insurance do you have and what are the limits of each policy?
- Do you have a working Board of Directors that includes outside directors who make real contributions to your business?