



# Terry Monroe

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MERGERS & ACQUISITIONS SUCCESSION  
& BUSINESS ADVISORY BUSINESS VALUATIONS

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OCTOBER 2021

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## When the Parts Are Worth More Than the Whole

### Understanding ‘Pure Play’ Buyers

Working with Jim started off well. He was looking to sell his convenience stores, as well as his tank wagon, fuel wholesale, and transportation businesses. When I first talked to him, he said he had interviewed another company that does what I do (there are only about three or four of us in the country), and although they were very capable, he felt my background and boutique-style firm fit his interests better.

Jim was enjoyable to work with. He had been very successful over the years and had built a profitable business. While I did warn him that selling his various businesses together would limit the number of buyers who would be interested, he said his goal was to sell them together. I had sold a business similar to Jim’s in 2020, so I felt good about being able to sell his as well. So, we got to work.

We collected information about and determined the market value of each individual business, and then combined the information to come up with a market value for the whole group. Jim wanted to sell it all together because he was eager to retire. That eagerness isn’t necessarily a bad thing, but you can’t let it cloud your judgment and prevent you from thinking logically about the most profitable way to exit the business.

By the time we had finished the market valuation, we had identified a list of prospective buyers and began reaching out to them. We do this, rather than auction the business or do a structured sale, so that we don’t interrupt business operations at all. Several of the buyers we contacted expressed interest, and we continued to give them additional information. We were able to produce three separate offers in the form of an LOI (Letter of Intent) within a month of Jim deciding to sell his business, which made him happy. Jim picked the offer he liked best, then we ironed out the details of the LOI and began working on a purchase agreement and the due diligence phase of the sale of the businesses.

The due diligence phase can be the most difficult one for the seller because they are required to share information with the buyer that will substantiate why the business is doing what it is doing, and it gives the buyer an opportunity to look behind the curtain and see the quality of the business too. It was during this process that the buyer discovered that one of the bulk plants in the tank wagon business was contaminated. I have worked in the petroleum industry for over 20 years, so that wasn’t



necessarily surprising to me. However, after this discovery, the buyer decided that he only wanted to buy the convenience stores, and not the tank wagon, wholesale fuel, or transportation businesses.

To say Jim was disappointed would be an understatement. When you mix multiple businesses together, you reduce the number of buyers who will want to purchase all of them together. Most buyers are what we call “Pure Play” buyers, meaning they only look to buy and operate one specific kind of business.

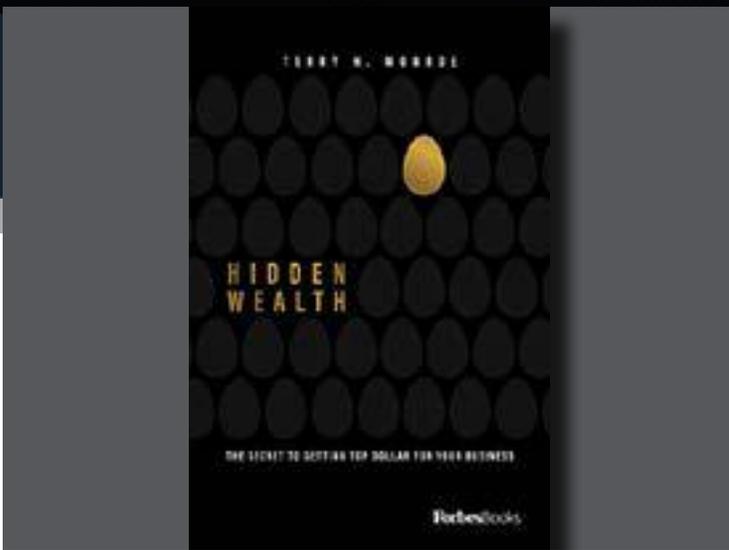
Jim was only thinking about getting out of business and retiring, and not about putting the most money in his pocket. He had mentally checked out and just wanted to do one sale and be done. If he had sold his businesses separately, he probably could have gotten a lot more money. This is a case where the parts are absolutely worth more than the whole.

Would selling each business individually solve the contamination problem? No, but Jim would have perhaps been able to sell more than just the convenience stores and get more money for his businesses. Sure, it’s more work having multiple sales, but you only sell your business and retire once — so why not make sure you do it right?

To learn more about Jim selling his businesses, email [Terry@TerryMonroe.com](mailto:Terry@TerryMonroe.com), mention this article, and I will send you a FREE copy of my book, “Hidden Wealth: The Secret to Getting Top Dollar for Your Business.” If you read this book, you’ll learn all about what to do (and what not to do) when selling your business!

*-Terry Monroe*

# Get the Wisdom of Other Business Owners' Mistakes



## *From Terry Monroe's "Hidden Wealth"*

accomplished and savvy enough to sell our business without any help, the uncomfortable truth is that tons of successful business owners have lost out on millions of dollars in selling their business — all because they didn't know exactly what they were doing.

Sometimes, contemplating the financial implications of selling your business, and dealing with the strain and grief that comes with doing so, are worse than actually selling the business. So what then? Well, in Terry Monroe's "Hidden Wealth," you'll also learn how to realistically assess your situation, deal wisely with the business that you've built over the years, and maximize the money that you'll receive when you decide to sell.

It has been said that we learn from our failures, not our successes, but the true sign of a successful individual is to be able to learn from someone else's failures and not your own. "Hidden Wealth" seeks to do just that: give every business owner access to the lessons learned from the mistakes of other business owners, so they can avoid the setbacks and reap all the rewards. Find out how you can get a FREE copy today by emailing [Terry@terrymonroe.com](mailto:Terry@terrymonroe.com).

Are you planning on selling your business in the next 1–2 years? If so, you need to start planning now. But where do you even start? Selling a business is a massive undertaking. With so many things to consider, some confusion is understandable, but if you don't get the right kind of help, you could end up selling your business for far less than top dollar and leave tens of thousands of dollars on the negotiating table.

These are the kinds of cautionary tales that market maker and four-time author Terry Monroe shares in "Hidden Wealth: The Secret to Getting Top Dollar for Your Business." While we'd like to hope that we're

## *3 Documents for Your Child to Sign if They're in College*

As much as your child might depend on you when they're in college, it's important to remember that legally, they are adults. That can suddenly and unpleasantly become apparent when your child has a medical emergency while they're in school, and you can't legally access any of their medical information. However, if you and your child want to make sure that you can still help them in those situations, make sure you have these three documents filled out before your child goes off to college.

### **HIPAA Authorization Form**

Due to the Health Insurance Portability and Accountability Act, you aren't legally authorized to see any of your child's medical information after they turn 18. Even if they get in a serious car accident or are hospitalized with a deadly disease, you won't be able to know what's going on. To get around that, you and your child need to sign a HIPAA Authorization Form, which will name you as an authorized party and let you help your child however possible.

### **Healthcare Power of Attorney**

Say your child gets in an accident and ends up in a coma. If you want to be able to make medical decisions on their behalf, then they'll need to make you their "medical agent" by signing a Healthcare Power of Attorney. Then, you'll be able to review their medical records and make decisions for their health, rather than leaving it in the hands of health care providers who don't know your child at all.



### **General Durable Power of Attorney**

This document is also crucial to have on hand if your child ever becomes incapacitated. A General Durable Power of Attorney authorizes you to make financial decisions on behalf of your child when they cannot otherwise do so. That includes managing bank accounts, paying bills, signing or terminating a lease, as well as various other financial matters. Without a General Durable Power of Attorney, you would have to manage their financial affairs through a court-appointed conservatorship, which is tedious and expensive.

To learn more about these three legal documents or receive our Free Report "5 Steps to Take Today to Protect your Children's Future" Contact Andy or Phil Kaiser at [www.KaiserLawFirm.com](http://www.KaiserLawFirm.com).

# 3 Ways to Fight Ransomware Attacks

## GET YOUR EMPLOYEES ON BOARD



Just about every employee at any business has access to a work computer, or at the very least, an employee email account that they can access through their phone. Unfortunately, that's all it takes for them to fall victim to a ransomware attack, putting your entire business in jeopardy in the process.

According to an article from Cybercrime Magazine two years ago, 60% of small businesses hit by a ransomware attack had to shut down six months later. And according to Harvard Business Review, 99% of hackers target the human element in their cyberattack. Many times, this comes in the form of a legitimate-seeming email that turns out to be a phishing scam. By exploiting employees' naiveté, they gain access to passwords, data, and financial information.

Moreover, a big part of your cybersecurity strategy (yes, you need one of those in this day and age) should be fostering a security culture among your employees. If you're at a loss for how to do that, here are a few general tips to help you get started:

- Have your employees (voluntarily) sign a security policy agreement.** Include in it agreements to report suspicious emails and to be careful with sensitive data (whatever that means for your business). Making the agreement voluntary will ensure that your employees feel personally responsible for their role in protecting the business.
- Show that you care about your employees' data and information.** To do this, take the first step toward protecting your employees' data. When they see that you truly care about protecting them, and not just the company, they'll be more likely to return the favor by working to protect their workplace.
- Be an example to your employees.** To really drive home how important cybersecurity is to your business, take all of the same precautions that you're asking them to take. Great leaders lead by example, and cybersecurity is no exception to that.

Getting your employees to care about cybersecurity and remain vigilant while they work is a huge part of the battle against cyberattacks. Remember to include them in your fight to keep your business safe!

# Take a Break!

## WORD SEARCH

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BLACK  
COSTUME  
GHOST  
HALLOWEEN

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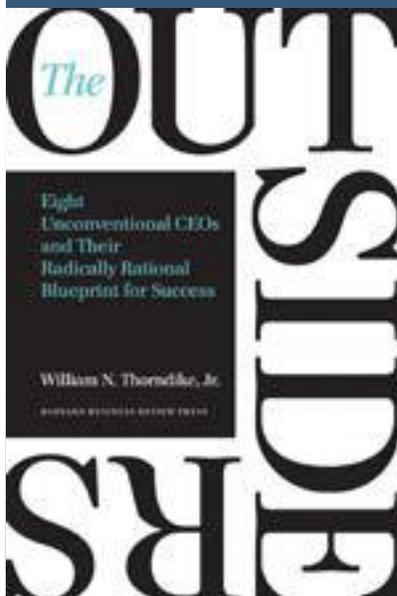
*Sudoku Solution*



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## Tap Into a Successful CEO's Mind



### *How 'The Outsiders' Provides an Unconventional Road Map*

What if you could harness the knowledge and skill possessed by some of the world's top CEOs — specifically eight of them? With investment expert and author William N. Thorndike Jr.'s "The Outsiders: Eight Unconventional CEOs and Their Radically Rational Blueprint for Success," you can.

After years of analyzing investments and the companies behind meteoric climbs on Wall Street, Thorndike has compiled stories, lessons, and tactics used by eight CEOs whose methods and beliefs don't mirror those of other leaders — unconventional leaders like Virgin Group Founder Richard Branson or SpaceX and Tesla CEO Elon Musk, whose companies' growth speaks volumes for their methodology.

Thorndike examines the successes of various business leaders, like pet food company Ralston Purina's CEO or Berkshire Hathaway's top leader, to discover what makes these companies so successful, even as they quietly grow. Through his storytelling and deep-dive into the mindsets of these CEOs, Thorndike offers readers various perspectives on a different way to amass success. Thorndike also illuminates

how many of these top business minds were quietly outpacing their loud, celebrity-like counterparts.

For example, frugality is a major component of their success, while most others view a singular metric as the biggest determining factor in their company's long-term success. Together, many of these top CEOs often value the human elements of their business, attributing the people they have working for them as one of the most important parts of their company growth.

As you read through the various lessons and experiences of these CEOs, you find models emerging. Some of the tactics may work for you, while others prove that unconventional methods were never out of the box to begin with. All told, Thorndike's "The Outsiders" is a reminder that sometimes the quiet ones make the most progress.

*You can learn more about Thorndike's book at [Goodreads.com](http://Goodreads.com), or you can find it on [Amazon.com](http://Amazon.com) or your favorite bookstore.*