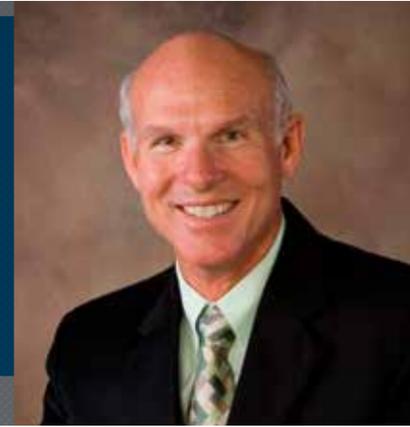


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Terry Monroe

American Business Brokers & Advisors Founder & President

MERGERS & ACQUISITIONS SUCCESSION
& BUSINESS ADVISORY BUSINESS VALUATIONS

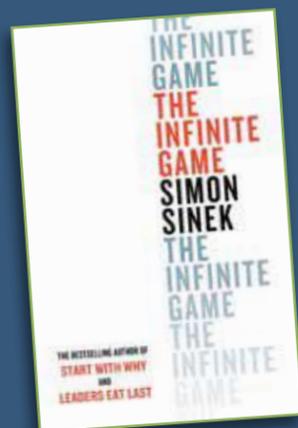
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BUSINESS IS A NEVER-ENDING GAME

How Do You Play This Infinite Game?



"The Infinite Game" by Simon Sinek is among the greatest motivational books you can get your hands on. He gives readers an inside scoop on the importance of adopting an "infinite mindset" while "playing the game" of business. Let's look at some of the chapters that can help you and your business.

CHAPTER 1: BUSINESS ISN'T A FINITE GAME

The first chapter discusses why running a business isn't a finite game. It focuses on how profit and income aren't the only ways to measure success. Profit means nothing if you're unable to survive current and future difficulties. This is why business is an infinite game — you don't want to create something to "win" (finite); you want to build a foundation that will remain for future generations (infinite).

CHAPTER 2: ESSENTIAL PRACTICES

Sinek explains the strategies you need to play the infinite game. *These skills include developing a "just cause," creating trusting teams, studying your rivals, preparing for flexibility, and showing courage to lead.* He follows up with examples of companies that embody all five of these principles: Victorinox, the creator of the Swiss Army knife, Bill Gates and Microsoft, and the GPS company Garmin.

CHAPTER 5: BUILDING A CULTURE OF TRUST

A healthy work culture is based on trust. If your workers sense a lack of trust, that affects efficiency, since no one will feel comfortable voicing their concerns or mistakes. Ford Motor Company is a perfect example. Before 2006, the now-former CEO would reprimand and penalize workers who brought him bad information. This caused an unhealthy work environment and led to lower productivity. Sinek offers tips on how to create a culture where your employees are comfortable and confident.

"The Infinite Game" teaches you that business is an endless game where you have to overcome many challenges. Successful businesses play the infinite game, constantly improving the business to become better. Sinek provides tips, solutions, and examples of how your business can thrive while playing the game. To get your hands on "The Infinite Game," visit your local bookstore or online retailer.

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The Market Has Peaked *But Demand Is Still There*

Lately, there has been a lot of buzz in the financial world about supply chain issues, interest rates rising, and the shortage of employees available to work. All these things are affecting the economy and businesses, and it would appear from the rising interest rates the high valuations in the stock market and for businesses may be coming to their peak.

It stands to reason that when the cost of money increases, the price one can pay for an asset will decrease due to the increased cost. Case in point is a transaction I put together for the sale of 10 convenience stores.

Recently, I was contacted by the owner of 10 convenience stores who asked me to evaluate their situation and determine their market value in today's marketplace. The stores were not the best ones nor were they the worst. Once I completed my review and had the marketing package put together, I began the process of finding a buyer and a full-price offer for the stores. So far, what I have shared is nothing out of the usual. However, after finding a willing buyer, we began the due diligence period. It was during the this period that the buyer raised these issues I mentioned, i.e., supply chain issues, interest rates rising, and the shortage of employees available to work.

The buyer, who was a seasoned convenience store operator, thought there may be an opportunity for the seller to reduce their price because of these issues and perceived that other buyers would be affected by these issues, too, and asked for a discount on the purchase price. (In the mergers and acquisition world we call this a "claw back," meaning a buyer will enter into a letter of intent or purchase agreement at an agreed upon price only to later try to claw back on the agreed price due to some non-substantive items). Here is where it gets interesting. Even though all of the items mentioned (labor shortage, supply chain issues, and in this case, the cost of money issue increasing as an excuse to try to get a discount), none of these items make a difference in the demand for buyers who want to purchase convenience stores. Because the buyer and I were in a personal meeting and not on a Zoom call or a phone call, I was able to look the buyer in the eye and say to him, "Bill, everything you have shared with me is correct; however, if you want my seller to take a discount, it won't happen, because by the time you drive back to your office (which was about an hour away), I will already have two more buyers ready to take these stores for the agreed upon price!"



Now, if you are reading this article and you don't know me personally, you may think the statement I just made sounded arrogant or cocky. But if you do know me, then you understand I don't play games when it comes to representing a seller who has entrusted me with selling their business. I am a terrible poker player because I don't bluff. If I say I will do something, that is what I do.

Fortunately, the buyer with whom I had worked with in the past does know me and knows I don't bluff and backed off from trying to do a claw back. The buyer also knows the demand for convenience stores like the ones I represented are still in high demand and they would be sold. Which is what ended up happening. The stores were sold at the agreed upon price with the seller getting all of their money and the buyer being happy they got the stores.

The moral of the story is: Despite issues affecting financial markets, turmoil in the marketplace, and the fact that high valuations for convenience stores have possibly peaked, **the demand is still there.** And if you are thinking about selling, then you know the best time to sell is when the business is doing well and there is a high demand for what you are selling. Of course, if you are not yet ready to sell, then you can wait and try to time the market when it is high. Just remember that the market doesn't really care about what you want because the market will do what it wants to do. And as we all know, timing is everything!

-Terry Monroe

'Test-Drive' Your Retirement Spot

THE PROS AND CONS OF LONG-TERM STAYS



Have you heard? There's a new trend for pre-retirees: test-driving retirement destinations, just like new cars! Thanks to remote work, many folks in their 50s and 60s can spend weeks or months immersing themselves in

potential retirement destinations. With a long-term rental or RV (and good Wi-Fi), you can soak up a place's culture, weather, and way of life. This strategy worked perfectly for Rutgers professor Barbara O'Neill.

According to AARP, O'Neill left her home in New Jersey to test-drive the community of Ocala, Florida, several times over three years. She spent nine months there on sabbatical and working remotely before falling in love with Florida and buying a home. Of course, that doesn't mean test-driving retirement is right for you.

THE PROS

- **You'll experience the perks and pitfalls of your retirement spot.** A Google search of "Palm Beach, Florida" can give you a bulleted list of the city's pros and cons, but it can't let you experience them. Is

the coffee actually good? Is the humidity annoying or just downright unbearable? You'll only know if you make the trip yourself.

- **You'll see past the "vacation bubble."** As one wealth manager told AARP, "When you're living there full time, it's a different lifestyle than when you're on vacation."
- **You'll build confidence.** You'll find out for sure if your retirement spot is right for you.

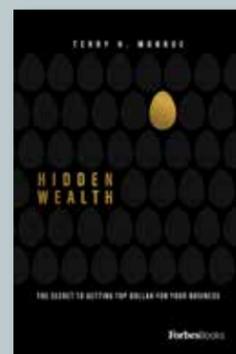
THE CONS

- **Test-driving is expensive.** Airline tickets and gas can be pricey and so can testing all of the "experiences" of a new place like restaurants and excursions. If travel isn't in your budget, this strategy may not be for you — yet.
- **Not everyone has work flexibility.** If you or your spouse has a career where remote work isn't an option, test driving may not be feasible. Instead, consider waiting for retirement, then using an RV to visit multiple locations before buying a home.

If you think test-driving your retirement is for you, schedule several extended stays in different seasons (Airbnb and Vrbo are your best friends). Consider your spouse's reaction, the weather, cost of living, tax situation, health care options, and distance from family. Ultimately, getting ready for retirement should be fun, not stressful!

Get the Wisdom of Other Business Owners' Mistakes

FROM TERRY MONROE'S 'HIDDEN WEALTH'



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 we're 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 businesses — 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 you've built over the years, and maximize the money 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 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 copy today by emailing Terry@terrymonroe.com.

... continued from Page 2

Contrary to my client's proven way of growing, he made the decision to go forward and purchase the 20-plus store chain I had offered to him. Now, fast forward three months later. While having breakfast with my client after the transaction closed, he shared some updates with me. After running the numbers of the 20-plus stores and evaluating the synergies involved and the time saved with the acquisition, he felt amazed by how much profit his company made in such a short time. He continued to share with me all of the upside potential he and his team had uncovered and was so excited that told me to be on the lookout for more acquisitions.

As the owner of American Business Brokers & Advisors, most people think all we do is sell businesses, which is a big part of what we do. But another part of our business is advising clients when to buy and how to increase the profitability of their business. If you are in a position where you want to grow your business, then maybe we should talk. Opportunities are available that most people don't know about, and we can share information about these and, in turn, help you expand or grow your business.

-Terry Monroe

Take a Break!

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HOW TO GROW YOUR BUSINESS IN TODAY'S MARKET

If you read business books or articles as I do on how to grow one's business, they will all tell you the same thing. The most economical and quickest way to grow one's business is by buying an ongoing business and then improving it. Because when you buy an ongoing business, the day you take over, you have cashflow. It may not be the cashflow you want, but you have a cashflow to build on and grow, like building a business from scratch and hoping you made all of the right decisions in picking the best site for your business and judging the marketplace where you built the business.

Most people know that buying a business is a better option than building one, but sometimes their ego gets in the way. They still only want to build a business from scratch, which is an okay business plan if you are not in a hurry to grow your business. If one is content with building a few stores a year and they have a long timeline, then building may be the best route to go. But if you want to be aggressive and grow quickly, then buying a business is a better option.

Case in point, which is what transpired with a recent client of mine: My client was a successful convenience store operator with about 25 stores when I approached him with the opportunity to purchase a 20-plus store chain of convenience stores in his trade area. The combination of



the two chains of stores was a perfect fit. However, my client had never really bought stores before. They had always been builders and would invest a considerable amount of time to find the real estate that was appropriate for a convenience store. They would even do a site study of the location and the traffic flow and market area demographics, design the store, and spend the time and money to get the store built. Again, a good philosophy if you want to grow slowly.

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