

How Much Is Your Time Worth? And Are You Worth Your Time?

By Stuart J. Brady, GABB Director

Dealmakers: Are you changing with the times or just waiting for the good ol' market to return? Change continues to be the only thing that is inevitable, and the market environment may never return to one that we have experienced in the past. On average, most of the clients that we are working with have experienced decreased cash flows and market valuations and tighter access to financing. Most also exhibit unrealistic expectations that haven't yet adjusted to reflect today's market environment.

Have **you** adjusted **your** mindset? How are you adding value to the transaction? Are you:

- Thoroughly managing the process?
- Tactfully managing the expectations of buyers and sellers?
- Successfully coordinating a multidisciplinary team of advisors?
- Getting all the stakeholders willingly on the same page?
- Soliciting the best advice to minimize the tax bite for your clients?

Your value-added entails managing the emotions of the transaction, as well as maximizing the enterprise value.

What is your time worth? Are you charging for the time you spend on consultation and valuation? Your professional opinion is sought after, respected, considered and most probably requested often. It is valuable!

If you don't consistently value your time and expertise, your clients surely won't either. Once you have digested the concept of assigning value to your time, in order to put an actual value on it you must clearly explain your methodology, services to be

rendered, including consultation, and outline your deliverables.

Are you receiving engagement fees, retainers or monthly income from your clients up front? Each of these forms of compensation imparts value to the time you spend each day/week/month on your clients' transactions. The services and deliverables that you provide in return should be explained clearly and concisely in a contract, and the compensation is typically deductible from final performance fees.

An added benefit to requiring engagement fees and requesting retainers is that it ensures your client's commitment to the process. I am a strong believer that a seller must have "some skin in the game." Of course there are always exceptions to every rule. You need to be flexible and mindful of the times, and focus on the real payday of helping your client sell their business.

As the demographic of aging baby boomers seek to fulfill their own retirement agendas, we will see more competition from high-end consulting firms, as well as boutique lawyers, financial advisors, accountants, and even bankers, etc.—each looking to this potentially lucrative market to offer their services. It is

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MEETING NOTICE: TUESDAY - OCTOBER 27, 2009 AT 10:30 AM

"MY OUTLOOK FOR SMALL BUSINESS IN GEORGIA"

KAREN HANDEL, CURRENTLY SERVING AS GEORGIA SECRETARY OF STATE
AND REPUBLICAN CANDIDATE IN THE 2010 GEORGIA GUBERNATORIAL RACE

**** NETWORKING STARTS AT 9:45 AM ****

AFFILIATES CORNER:

GLORIA LEWIS, THE LEWIS CPA FIRM

"Please join Gloria Lewis as she hosts our popular Affiliate's Corner Networking starting at 9:45 AM. Be early for some great complimentary refreshments!"

MEETING COORDINATOR: MICHAEL EICHENSEER

THE LENDER MINUTE

BY JACKIE HART, PARK AVENUE BANK

As of October 1, 2009, the SBA made several changes to the Standard Operating Procedures. I have only noted a few below that I think will affect Business Brokers:

1. The SBA changed the guidance for financing transactions involving intangible assets:
 - a. If a transaction includes \$500,000 or less of intangible assets (including, but not limited to, goodwill, client/customer lists, patents, copyrights, trademarks and agreements not to compete), a lender may process the loan using its delegated authority.
 - b. If the application includes more than \$500,000 of intangible assets and the borrower and/or seller have contributed a total of at least 25% equity, the loan also may be processed using a lender's delegated authority. (Seller equity is defined as seller take-back financing that is on full standby—principal and interest—for a minimum of 2 years.)
 - c. If the loan amount includes more than \$500,000 in intangible assets and the borrower and/or seller are not providing at least 25% equity, then the application must be sent to the SBA for approval.
2. The SBA revised the guidance on post-construction certifications to require the appraiser to state that the building was built according to plans and specifications with only minor modifications.
3. The SBA revised the ruling for credit card debt: If it is business debt, then the lender must verify the credit card is in the business name and the borrower will need to sign a certification stating it was used for business purposes. If it is a personal credit card, then the lender will need supporting documents, such as monthly statements and receipts describing each charge.

If you have any questions, feel free to call Jackie Hart, Park Avenue Bank, 770-880-1032.

How Much Is Your Time Worth? And Are You Worth Your Time? CONTINUED

my opinion, and that of my trusted advisors, that the days of “performance fees only” will go the way of the buggy whip.

GIGO (Garbage In, Garbage Out)? GIGO is a computer programming phrase used to express the fact that the output can only be as good as the input. I believe that it can be applied to many situations, if not all!

Even in these trying times, are you attempting to work with realistic and motivated sellers? Be very selective and judicious of the clients with whom you choose to work.

As an example, some brokers get as many listings as possible, post them on a few popular websites and see what happens. I would venture to say nine out of ten of those deals never sell, and unqualified sellers have just been allowed to waste precious time. At the end of the day, it is your time that is most limited, thus most valuable. In this broker's price opinion, don't allow your greatest asset to be mismanaged.

Are you coming across like a professional and properly positioning yourself in the market? Are you attending conferences and continual education seminars? Are you reading books to help sharpen your skills and your value-added? Do you have clearly defined methodologies for managing the entire process? Are you developing relationships with mentors and trusted advisors?

Are you being creative in finding solutions to the challenges that your sellers are facing? Are you being proactive versus reactive when it comes to marketing your deals? Are you constantly looking for nuggets and new ways to get the deals to the closing table? Learn from those who are creating new ways to do deals. Look to M&A firms and Wall Street.

Best wishes for continued success in 2010!

Meet A Business Broker Member “Up Close and Personal”

BARRY G. WOLF, CBB, CCB, CIIS & CPM

Metro Brokers/GMAC Real Estate | Office: 404-843-2500; Cell: 678-200-7759
GABB Associate Member Since October 2009 | Business Broker Since March 2009

How long have you been with the company?

I joined Metro Brokers/GMAC in March 2009. I have been in the commercial real estate industry since 1979.

What role do you play within your company?

I work with numerous clients who are interested in buying or selling local or regional businesses. I also have several commercial real estate clients interested in purchasing apartment properties and other commercial real estate.

What is the focus of your company, and how does it differentiate itself?

Metro Brokers/GMAC Real Estate has a Commercial and Business Brokerage Division, which enables me to work in several quality market sectors.

What are your company's target markets?

My target market includes car repair and body shops, dry cleaners and liquor stores, as well as larger regional businesses.

What led you to this line of work?

It was a natural extension of my 30 years of commercial real estate expertise and my father's positive influence.

What experience did you have in doing transactions before you became a broker?

I previously sold several businesses, as well as numerous commercial properties.

Have you always lived in Atlanta? If not, where else?

I am originally from Pittsburgh, PA and moved to Atlanta in 1993.

Professional Affiliations

Georgia Association of Business Brokers (GABB), Georgia Association of Realtors (GAR), National Association of Realtors (NAR), Atlanta Commercial Board of Realtors (ACBR), Atlanta Apartment Association (AAA), Asian Real Estate Association of America (AREAA), International Real Estate Council of Georgia (IRECGA)

Personal Affiliations

Greater North Fulton Chamber of Commerce (GNFCC), Alzheimer's Association, American Heart Association.

All About You

I am happily married and live in South Forsyth County. My wife Cheryl is actively involved in our business. She keeps me organized and coordinates several key functions. At home, we have a 9½ year old West Highland Terrier named Lucky. We enjoy traveling, movies, Broadway plays at the Fox, Pittsburg Steeler and Atlanta Falcons football, Atlanta Braves baseball and hockey games. We love all types of food, but my favorite is Italian.

Accomplishments

Health, Happiness and Contentment! And the ability to work on projects and with people that I enjoy.

DIANE LOUPE
FREELANCE PUBLIC RELATIONS
USUALLY SITTING AT A COMPUTER
Office: 404-377-8264; Cell: 404-374-3990
GABB Affiliate Member 2009

How long have you been with the company?

I've been freelancing for 10+ years.

What is the market focus of your firm: what does it do?

Writing and editing copy for individuals and publications

What role do you play within your company?

I am the creative force, the writer, the editor.

What is the particular focus of your company, and how does it differentiate itself?

To grab your attention. Words can capture your audience in a sentence, or make them skip to the next email without a second glance. A writer's job is to find what will capture a reader's attention and keep it. In this media environment, with so many messages competing for attention, that job is crucial.

What are your company's target markets?

I can help entrepreneurs get information on their successes and services to the community. I can help you promote a recent transaction, help you craft a newsletter or reach your target market.

What led you to this line of work?

I love to read, and I'm good at writing. Nobody can be a good writer without reading voraciously.

Have you always lived in Atlanta? If not, where else?

I'm a native of New Orleans and spent some time in Kansas City, MO; Columbia, MO; and New Haven, CT. I now live in Decatur.

Professional Affiliations

Atlanta Press Club member. I have an M.A. in Journalism from the University of Missouri, and a B.A. in English and Speech from Southeastern Louisiana University.

Personal Affiliations

Communication chair of the Renfroe Middle School PTA, secretary of the Lenox Place Neighborhood Association, the Unitarian Universalist Congregation of Atlanta, member of the organizing committee of the Girl Scout Mountain Magic Leader Weekend, the Bicycle Ride Across Georgia and the Team Geek bicycle club.

All About You

I've been married for almost two decades to Roger Easley, my best friend and the world's best husband, who is a software tester with MetLife. We live in the city of Decatur, where we are raising two fine teenagers: Michelle, 16, a junior at Decatur High; and Daniel, 14, a Renfroe Middle School eighth grader and baseball player. My freelance writing supports my family – paying for braces, school trips, books and bigger shoes on my son's ever-growing feet. When I'm not embarrassing my children, I'm riding my bicycle or working out at the local YMCA. I've ridden the entire length of the Silver Comet and Chief Ladiga Trail – 97 mostly flat miles from Smyrna, GA, to Anniston, AL. I've also done all or part of the Bicycle Ride Across Georgia about 13 times, rode my bicycle around Europe and am a League Certified Instructor of bicycling through the League of American Bicyclists. I love babies and other varieties of children, gardening, homegrown tomatoes and crafts, including knitting and making jewelry. I love any movie by Hitchcock or with Viggo Mortensen. An ink-stained wretch at heart, I love to read newspapers, the New Yorker, short stories and murder mysteries. I hate people who litter, don't use their turn signals, buy jewelry instead of books and forward phony emails to me.

Accomplishments

Have attracted media attention to the GABB, including getting GABB into the Atlanta Journal-Constitution. A published journalist, I have worked for the AJC, the Associated Press, Yale Medical School, The Suzuki School, am a correspondent for Womens eNews, Hello Atlanta and Hello New Orleans, and have been written for the Southern Regional Education Board, The Sunday Paper and The School Administrator magazine, among others.

Tips/Advice for GABB Members

Does what you write grab the attention of your intended readers and hold on to it? Does the first sentence of your newsletter, advertisement or speech command attention and compel your target to read the second sentence or lean forward to hear what else you have to say? Be sure your writing is compelling and concise. If it isn't, you lose your audience to be Tweets, iPhones and Blackberries. Good writing and editing is worth every dollar you pay for it. You're good at doing deals; I'm good at helping your publicize your successes.

NEW MEMBER ORIENTATION

All New Members are required to attend the New Member Orientation on Tuesday, October 27th, beginning immediately following the regular GABB meeting. Various Committee Members will discuss important information about GABB By-Laws, Co-brokerage, the GABB Code of Ethics, Forms and other topics.

Lunch will be provided - RSVP with J. Snypp at j@preferredbrokers.com, or 404-966-5989, to order your lunch and materials.

FALL CONFERENCE UPDATE

GABB's annual Fall Conference held on October 2nd was very successful with 45 members participating.

Instructor Monty Walker, CBI, CPA and BCB of Wichita Falls, Texas, taught the IBBA course "Understanding Financials" in the morning session. In the afternoon Mr. Walker conducted a very interesting seminar entitled "Industry Update 2009 – Transaction Tax and Structuring."

In addition to the participants receiving 8 hours of IBBA credit, they also had the opportunity of receiving 6 hours of continuing education with the Georgia Real Estate Commission. GABB once again afforded a great educational opportunity to its membership. The next educational conference will be held in the spring of 2010.

A special thanks goes to Stuart Brady, Eric Gagnon, Pat Harkins, Van Watkins, James Welch, Metro Brokers/GMAC Real Estate and Shannan Collier for their contributions toward the success of the Fall Conference.

Charles A. Jay, Chairman
Education Committee

THE CODE CORNER by James Welch, GABB Past President

Have you ever been involved in a co-broker situation as a Selling Broker, where problems surface with the agreement between the Listing Broker and the Seller? Then you get caught up in it as well? Or, have you been that Listing Broker, who possibly didn't have everything agreed to in writing with the Seller as to your authority? Our Code of Ethics, Article Fourteen addresses this issue for us:

GABB Code of Ethics, Article Fourteen: *"The Business Broker should not submit or advertise businesses without written authority; in any offerings the price quoted should be agreed upon with the Seller. The Business Broker should always have a written Brokerage Engagement, providing authorization to sell or purchase, as appropriate, from the prospective seller or purchaser. Said agreement should include all the material terms of the sale or purchase, including price, term of agreement, and compensation to be paid to the Business Broker."*



2010 MEMBERSHIP DUES INVOICE

Due no later than January 31, 2010

Current Members: Make check payable to GABB and mail to:

Eric Gagnon, GABB Treasurer
c/o We Sell Restaurants, Inc.,
1860 Sandy Plains Road, Suite 205-105, Marietta, GA 30066, 404-593-4193

COMPANY OR INDIVIDUAL ACTIVE MEMBERSHIP (BROKERAGE):	\$ 145.00
ASSOCIATE MEMBER/AGENT OF ACTIVE MEMBER:	\$ 125.00
AFFILIATE (NON-BROKERAGE SUPPORT PROFESSIONAL) MEMBERSHIP:	\$ 125.00
AGENT OF AFFILIATE MEMBER:	\$ 125.00
DONATION TO THE IBBA MATCHING REGULATORY FUND*	\$ _____

***IBBA will match your donation for legal negotiations with the SEC and NASAA (North American Securities Administrators Association), for Business Brokers to be exempt from certain requirements when involved in a stock transaction. For more details, contact David Still.**

I understand the Membership Chairman may contact me for any additional information required to process my Membership Re-Application. Check # _____ & amount \$ _____ remitted.

NAME _____

COMPANY _____

FIRM LICENSE #: _____ R/E LICENSE # _____

Company Address: _____

Home Address: _____

Office # _____ Cell # _____

Fax # _____ Spouse's Name: _____

Email: _____ Web Address: _____

Product/Service (Affiliate Members): _____

I am up-to-date in GABB payments to BizMLS (a requirement of Active (Brokerage) Membership.

Signed: _____

Enclose a copy of your Georgia Real Estate License along with your check.

☆☆☆ UPCOMING EVENTS ☆☆☆

October 27th

8:30 AM – GABB Board Meeting
 9:45 AM – Networking
 10:30 AM – Membership Meeting
 12:15 PM – Forms Committee Meeting
 12:15 PM – New Member Orientation
 Required for New Members
 Lunch will be provided
 RSVP with J. Snypp, 404-966-5989, or
j@preferredbrokers.com

November 24th

8:30 AM – GABB Board Meeting
 9:45 AM – Networking
 10:30 AM – Membership Meeting
 12:15 PM – Forms Committee Meeting

December 1st

ANNUAL GABB HOLIDAY PARTY
 @ Highland Tap, Virginia Highlands
 6:30 PM
 Details to follow.
 RSVP Art Lennig @ a.lennig@murphybusiness.com

January 26th

8:30 AM – GABB Board Meeting
 9:45 AM – Networking
 10:30 AM – Membership Meeting
 12:15 PM – Forms Committee Meeting

NEW MEMBERS

BARRY WOLF

Associate Member
 Metro Brokers/GMAC Real Estate
 404-843-2500

JOHN McCORMACK

Associate Member
 Metro Brokers/GMAC Real Estate
 404-843-2500

HECTOR VAZQUES

Affiliate Member
 Bizilla (A Business For
 Sale Market Place)
 804-739-4008



*For Membership Information contact
 Pat McDonald at 770-565-6750
 or patcbi@bellsouth.net.*

THE GABB BOARD

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 404.226.5271

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 678.852.6228

TREASURER:
 Eric Gagnon
 404.593.4193

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 770.491.3710

DIRECTOR:
 Stuart Brady
 404.663.8080

DIRECTOR:
 Jay Fenello
 770.516.6922

DIRECTOR:
 Pat McDonald
 770.565.6750

DIRECTOR:
 J. Snypp
 404.966.5989

PAST PRESIDENT:
 James Welch
 404.843.2500

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 770.534.5868

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