



VRM **LIVE!**
intel

***How to Sell Your Business For More
Than It's Worth***

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Evaluation

We'd love to hear your
feedback
on this session!

Ben Edwards

- **19 years in the Vacation Rental Management Industry**
 - **Owned and/or Operated more than 13 vacation rental companies**
 - **Operated in more than 200 different resort destinations**
 - **Operated companies as large as 2,400 properties**
 - **Involved in 100+ different purchase/sale transactions**
- **VRMA, Past President, Board Member**
- **HomeAway, Advisory Board Committee, *current***
- **Manager, Newman-Dailey, Destin, FL**
- **Owner, Sanctuary Vacation Rentals, Monterey, CA**
- **Owner, Weatherby Consulting, LLC**

Introduction

- What is your business worth?

Introduction

- Most businesses don't know
- Flattery will get you everywhere
- Businesses eventually engage discussions
- If your relying on a prospective buyer to provide a valuation, expect to be disappointed
- What's the alternative?
 - Know the value of you business
 - Get a market valaution
 - Understand the drivers of value

Selling Your Business For More Than Its Worth

- **Let's Get Started...**
- **How do you sell your business for more than its worth?**

Selling Your Business For More Than Its Worth

1. Engage with Buyers that are interested
 - Work with a Buyer the wants YOUR Business, not just A Business
 - Interested Buyers are more engaged and focused on pursuing a successful transaction
 - Begin with a Non-Disclosure Agreement

Selling Your Business For More Than Its Worth

2. Have a clearly defined valuation process
 - The most common valuation method
 - Multiple of Adjusted Earnings
 - Since the late 90's
 - Businesses are sold based upon a multiple of 4x to 5x Adjusted Earnings
 - Other valuation methods
 - Revenue
 - Once you understand the valuation process...

Selling You Business For More Than Its Worth

3. Drive VALUE

- The fundamental purpose of a business is to create and add VALUE for the Shareholder
- Value = measure of Profit
- What is a meaningful Profit?
 - 10% - 15% of Gross Rental Revenue
- Too many management companies are not value focused
- Not prepared
- Un-informed or Ill-informed

Selling Your Business For More Than Its Worth

- **What does it mean to be value focused?**
 - **Progressive/professional operations**
- **What are the DRIVER'S of value?**
 - **Qualitative drivers**
 - **Tell your story**
 - **Identify key attributes**
 - **Reputation matters**
 - **Quantitative drivers**
 - **Revenue, Expenses & Adjusted EBITDA**

Selling Your Business For More Than Its Worth

- **Quantitative drivers**
 - **Revenue, Expenses & Adjusted EBITDA**
 - **Goal:**
 - **Increase Revenues**
 - **Decrease Expenses**
 - **Bolster EBITDA**
 - **Adjust EBITDA**
 - **Remove expenses that are not germane to the business**

Conclusion

- **Know your value**
 - **Enter the Buy/Sell process with full knowledge**
- **Deal with interested parties**
- **Drive Value by generating a meaningful profit**
 - **Top Tier Companies are driving 10%-15% of Gross Rental Revenue to the bottom line**
 - **Make the tough decisions, aggressively pursue revenue opportunities and diligently manage expenses.**
- **Don't be afraid to communicate your Value and tell your story**

Weatherby Consulting - Suite of Services

1

Consulting

- General VR business consulting/Profitability Consulting
- Operational reviews

2

Transaction Advisory Services

- Purchase & Sale of Vacation Rental Companies

3

Accounting Services

- Full service to limited service
- Financial Statement creation
- Accounting projects and consulting

Weatherby

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Thank You
