

Tyler Tysdal Helps Businesses Owners Prepare To Make A Sale

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Tyler Tysdal of Greenwood Village, CO based Freedom Factory is reaching out to share how a business can maximize its value prior to being sold. Freedom Factory specializes in helping business owners make the transition to sellers in a prompt and effective manner, and their experience has long proven invaluable to their clients. As such, those unfamiliar with selling businesses have much to gain by following their advice.

The team at Freedom Factory understands that there are many resources available for those who want to start a business (and keep it in operation). However, there is relatively little insight on selling a business, which in itself can be a complicated process that requires a degree of industry and legal expertise to take place smoothly. The company makes it a point to inform their clients ? and their community ? that this does not have to mean a sale is beyond their capabilities. Even before they seek professional help, there are many steps they can take on their own to increase the likelihood of a satisfactory outcome.

Tysdal is the Managing Director at Freedom Factory, which gives him direct access to every aspect of selling a business. In such situations, his first piece of advice is to examine the business? areas of interest and determine how best to represent it to potential buyers. This classification then plays an important role in how a multiple is applied to the business. Multiples, he explains, are used to calculate the value of a business (and every type of business has its own multiple). A business, for instance, may have a multiple of 2, so it may be worth twice its earnings (calculated in addition to other factors as well). A similar business, however, may have a greater multiple, drastically increasing its worth. As a result, this can mean the seller receives much less than their business is actually worth in a transaction.

Next, he says that the business should recast its financials. At Freedom Factory, he explains, the team creates a pivot table in order to translate EBITDA (earnings before interest, taxes, depreciation and amortization) into seller?s discretionary cash flow. This more accurately represents the cash the business in question creates. Similarly, it should make it a point to include the full scope of its intangibles since this can

help bolster its value. While this difference may not be as dramatic as those represented by various multiples, Tysdal comments that it is far from negligible ? and therefore must be given due consideration. Furthermore, a buyer who is confident they understand how the business? intangibles factor into its overall operation will also be more likely to agree with an assessment of its value.

Many of the sellers who contact Freedom Factory for advice, Tysdal says, tend to be concerned that they will judge the worth of their business under or over what others may consider an accurate figure. If the business is undervalued, for instance, the transaction will not favor the seller, and they may not receive the full amount they would otherwise be due. Conversely, a valuation that is too high is less likely to draw the interest of serious buyers. As such, it is crucial to walk this delicate line in order to make a successful sale.

Complicating the issue is the fact that businesses are more often than not subject to market forces outside of their control. New customer trends may make their products or services less attractive, Tysdal suggests, or laws could come into effect that curtail the business? activities in some way. Whatever the reason, it is important to take such factors into account when preparing a business to sell, else poor timing can have a detrimental impact on its value.

However, business owners do not have to navigate such hurdles on their own. Tysdal and the team at Freedom Factory are always ready to share the benefit of their expertise, and the company offers a comprehensive service that can help sellers perform an accurate business valuation as well as complete the sale with minimal hassle.

Those interested are welcome to contact Tyler Tysdal at Freedom Factory today for a free business valuation. Further details regarding the company?s services can be found on their official website and social media platforms as well.

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Tyler Tysdal

Tyler Tysdal is the cofounder and managing partner at Freedom Factory, "The World?s Best Business Broker". Freedom Factory will help you sell your business for maximum value. Call Ty Tysdal at Freedom Factory for a free business valuation.

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