YOUR BUSINESS *MATTERS*™

Enjoy Your Business and Your Life

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Twitter v. Musk: LESSONS FOR YOUR BUSINESS

By Ed Alexander

As I write this, Elon Musk and Twitter are in a lawsuit over Musk's $44 billion proposed acquisition of Twitter. And, while the amounts at issue are staggering for most closely held business owners, the issues show why a business purchase and sale contract (really any contract) is most certainly not a 'one size fits all' approach.

Musk seemed quite eager to purchase Twitter. He offered a 38% premium over the market value and entered a reportedly seller friendly purchase agreement. These two components are usually at-odds for business transactions.

When the buyer pays a premium, the buyer controls the terms of the purchase agreement. And when the buyer gets a substantial discount, the seller controls the terms.

Other atypical components are that (according to Twitter), Musk didn't have a right to terminate based on an inspection of the Twitter business or his inability to secure financing.

Buyers typically have the right to perform an inspection of the business, its assets, and records - known as a due diligence review - to ensure there are no skeletons in the closet and to confirm the business' performance and prospects. Typically, the buyer can terminate the purchase for any reason during the due diligence period or if it cannot secure financing.

Twitter contends that, because he couldn't terminate the seller friendly agreement for the usual reasons, he sought to find a reason when the market value declined.

The takeaways for your business are:

- Know the value of the subject business so you can properly negotiate the purchase agreement.
- Business purchase agreements have 'normal' terms and, unless you buy and sell businesses regularly, you won't know what is normal for your transaction.
- The transaction must work for everyone in order to be completed. If the price is too good to be true, it is highly likely that the deal will fail, or the full purchase price will never be paid. □

– Ed

HOW WE CAN HELP

Alexander Business Law helps professional services firms and consultancies scale and exit their practices so they can start enjoying their lives and stop doing work they no longer want to do. Attorney and entrepreneur Ed Alexander has helped thousands of business owners achieve freedom and wealth with profitable, rock-solid exit strategies. If you would like to work with Alexander Business Law to achieve the same results for you, contact us at **(407) 649-7777** or **Kim@AlexanderBusinessLaw.com**.

FREE DOWNLOAD:

10 Business Killing Legal Mistakes and How to Avoid Them

In this valuable guide, learn how to make better, smarter legal decisions to protect and grow your business. To get your FREE copy, call **(407) 649-7777** or go to **BusinessKillingLegalMistakes.com.**

We're Not on a Mission, Ed.
WE'RE ON VACATION!

By Faith Alexander

We took a hike up Conic Hill in Scotland.

One of the things about working with your spouse is that when we go on vacation, we are both out of the office at the same time. Luckily, we have a great team that makes it easy for us to take time off.

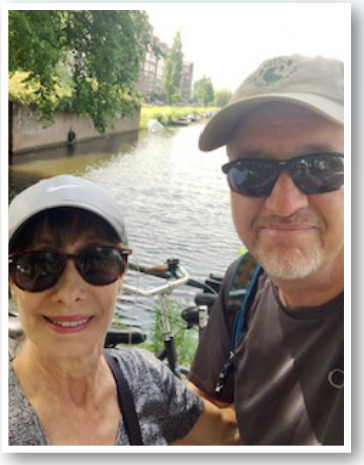
For our vacation this year we went to Scotland and Amsterdam and got to see and do a lot of different things. Since we both enjoy cycling there was a fair amount of that, as well as hiking, and sight-seeing.

As with our work life, we have very different approaches to "vacationing." I like to take my time, linger over breakfast, do a bit of souvenir shopping, and make multiple stops along the way as we bike through different cities, neighborhoods, and parks. I view it as my "downtime" from being on a schedule.

Ed, on the other hand, makes a lot of plans, schedules activities for every day of the trip, and does not like to spend any time in the shops. Very much like how he operates at the office, he is on a "mission" to get things done. He views it as maximizing the vacation. We do and see a lot, but there was always an agenda and a schedule.

I like to believe that my slower pace has a beneficial effect on him. Eventually – it takes a while - he takes the time to unwind and enjoy a slower pace.

Scotland is an amazing and beautiful country. Ed says he'll be going there again to do some bikepacking. The cycling in Amsterdam was like driving your car in the US. We rented bicycles and rode like the locals: for every trip, every day, everywhere. □



Biking in Amsterdam

Movie Trivia Contest

Win a $25 Starbucks Gift Card!

For the Trivia Contest this month's question is:

In the Godfather movie series, one character was actually a gangster in real life. Name that character?

The first two people to respond with the correct name will each receive a $25 Starbucks gift card.
Email Faith@AlexanderBusinessLaw.com. □

We would like to thank last month's trivia winners for participating in our contest: Jonathan Goodman and Stacy Crosby

QUOTE OF THE MONTH

"The pessimist sees difficulty in every opportunity. The optimist sees opportunity in every difficulty."

WINSTON CHURCHILL

"I Don't Want to Retire Now. I Just Want to Work on Things I Like to Do."

By Ed Alexander

Not too long ago I spoke with an attorney in his early 50's (we'll call him Bob) about exiting his law practice. Bob was working with us in our Scale to Exit program where we help attorneys create a practice they can profitably leave. The first step is the Reality Check where we conduct a top to bottom review of the client's practice and their goals.

On paper, Bob's practice looked to be in great shape. He had a team and the financial results looked great. But there was one 'red flag' – Bob was looking to exit right away.

When we got on the phone for the Reality Check, I could hear the weight on Bob's shoulders. He was making his practice happen through brute force. And while that worked when he was in his 40's, he was running out of energy. He was hoping a good payout could launch him into another less stressful career or business and wanted it to happen now.

Bob still liked being a lawyer. It was just 'the other stuff' that was dragging him down – difficult clients, staffing issues, and working nights and weekends. He told me 'I don't want to retire from being a lawyer. I just want to work on things I like to do.'

I had some good news and some bad news for Bob.

The good news was that a law practice is a great way to earn money and have a satisfying life, just not the way that Bob was doing it, and that, with some key changes, his practice could be what he wanted it to be. He could work on the things he wanted to do for clients he liked and not kill himself doing it.

The bad news was that no one was going to buy a practice that required a Herculean effort to keep going.

We identified improvements that would have the greatest impact for Bob - client selection, time management, staffing, and other key processes. The results came slowly at first but began to compound as they affected and magnified one another. In particular, saying 'no' to prospects he didn't want to work with or that he knew would cause problems dramatically improved his feelings towards his practice. This also helped narrow his focus to high profit matters.

Eventually Bob's practice changed and his love of it was renewed. He continues to practice – just spending less time in it, doing the things he likes, and making more money.

Exiting your practice is often a long game. And each person's journey is unique. But it is a journey worth investing in. If you, like Bob, are looking to retire and stop doing the things you don't like to do, call my office at 407-649-7777 for more information about the ABL Scale to Exit Program. □

WHAT OTHERS ARE SAYING ABOUT ALEXANDER BUSINESS LAW*

"Such a terrific professional! He brought a wealth of experience and great guidance to the table in a very responsive way. I'm certain he added great value to our firm."

– Jeff Cohen

THE ALEXANDER BUSINESS LAW
SCALE to EXIT Program™

Call 407-649-7777 to schedule a call with Ed Alexander

Discover how you can stop doing work you don't like, and start enjoying your business and your life.

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A Personal Message From Ed Alexander

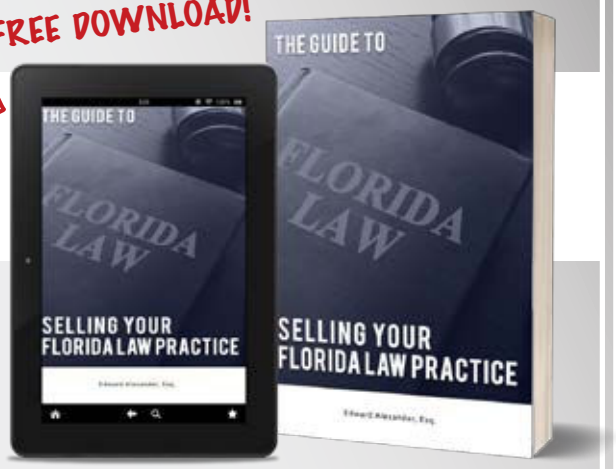
In this issue of *Your Business Matters*, I share important business lessons from the Twitter v. Musk lawsuit. You can also see photos and the one vital takeaway from our recent vacation. Also, read Bob's story about how he stopped doing work he didn't like and started enjoying his business again. Finally, don't miss this month's trivia for a chance to win a Starbucks gift card!

THANK YOU FOR YOUR REFERRALS!

This month, we'd like to thank Steve Skipper and Dione Brady for believing we are the right firm to help their friends and business colleagues. Your support gives us the ability to reach more individuals and make a positive difference in their lives. If we can help anyone you know that needs our services, please send them our way!

The Guide to Selling Your Florida Law Practice

FREE DOWNLOAD!



TURN A POTENTIAL $500,000 MISTAKE INTO A $500,000 RETIREMENT BONUS!

Failing to plan for your inevitable exit from your firm is one of the most costly mistakes you can make. Yet attorneys everywhere often put off discussing succession planning until those discussions are forced on them by life. An un-planned exit will be an unprofitable exit.

The good news is that there's still time to turn the potential $500,000 mistake into a $500,000 retirement "bonus"! Achieving a successful and profitable sale of your law firm requires strategic planning, familiarity with the sale process, and a desire to benefit from your years of hard work.

You've worked hard to build your firm—now cash in on the investment! Our guide will explain the sale process and show you how to estimate the value of your firm, how to prepare your firm for sale, and much more.

TO GET YOUR FREE COPY, CALL (407) 649-7777 OR GO TO WWW.LAWPRACTICEEXITS.COM