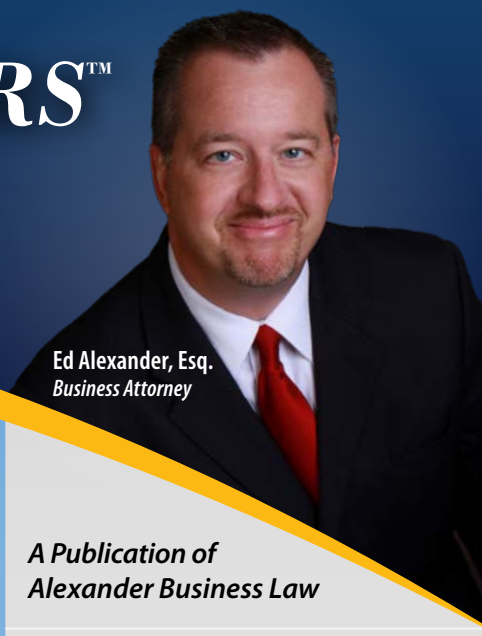
YOUR BUSINESS *MATTERS*™

Enjoy Your Business and Your Life



Ed Alexander, Esq.
Business Attorney

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You Have *to* Leave Something *for the* BUYER

By Ed Alexander

Recently I spoke with a prospective law firm seller. A buyer had expressed interest in her firm as a way to add a new practice area with an existing client base, but the terms hadn't been finalized.

As we delved into her expectations for the sale, she told me she wanted to work for the buyer for two or three years after the sale on the following terms:

- Maintain her current salary,
- Receive an origination bonus for each new matter that came from her client base and that she brought to the buying firm, and
- Be paid for transitioning the practice to the buyer and training the buyer team.

When I added up the total, it was almost the total adjusted net earnings of her firm. Effectively, she wanted to sell the firm and still keep the benefits (like selling your car but being able to drive it whenever you wanted afterwards).

Unfortunately, those expectations won't work for any buyer.

Like all businesses, an acquired law firm pays for itself through the profit generated after the sale. Whether the buyer pays cash or pays for the firm through a bank loan or seller note, the firm's cash flow is the source to pay the buyer a return on his investment or the debt service due on the loan or note.

As the cash flow from the firm is reduced, the amount to be applied to ROI and debt service is reduced, as well as the value of the firm. Would you pay the same for an investment that paid you $1,000 as one that paid $100? Of course not.

And while some buyers may be willing to acquire a firm that has little or no cash flow, in the vast majority of cases there is no value without cash flow and the firm cannot be sold.

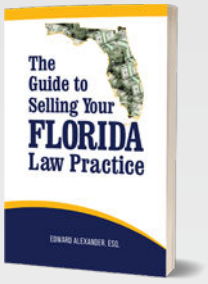
Sellers must focus on the motivations of a buyer and the financial feasibility of the transaction to maximize the value of their firm. With unreasonable terms, the value of the firm is zero.

To ensure the terms work for seller and buyer, we create a transaction model for each sale that shows firm cash flow, buyer ROI, and debt service arrangements based on current and projected future performance. This and other tools we use protect the seller from too low a price and from the deal failing after closing. □

– Ed

FREE DOWNLOAD:

Selling your Florida Law Practice



Failing to plan your exit is one of the most costly mistakes you can make. Our guide explains the sale process and shows 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**

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**.

ADD SOME **YOGA TIME TO YOUR HOLIDAY TIME!**

By Faith Alexander

It's easy to feel overwhelmed and tired as you face the stress of family and chaos, holiday cooking and baking, and gift-giving. Now may be a good time to try some Yoga. Before you stop reading……I'm not talking about joining a yoga studio or signing up for a class at your local YMCA.

Yoga incorporates physical poses with meditation and breathing techniques. This ancient practice exercises the body and mind, battling stress, promoting calmness, and improving strength, flexibility, and balance. It can help your body recover from the physical exertion of too much gift shopping, overeating, and drinking, and the depression that often increases during the holiday season. It helps you relax and focus on the present moment so that you can enjoy the holidays with your family and friends.

So here is my recommendation of a simple way to add some yoga time to your holiday time

Take a moment to yourself. Find a quiet place away from the chaos. Sit down on a mat, thick towel, or comfy blanket with your legs crossed or stretched out in front of you, close your eyes and just breathe. Slow breaths in and out of the nose to the count of 4 are best. You can add some stretches of the neck, arms, and legs, gently move your spine, and rotate your wrists and ankles. Lay down for a full body stretch, raising your arms above your head while pushing your toes in the opposite direction. Then just relax with your eyes closed for several more minutes.

I promise you - it will be worth it! □

QUOTE OF THE MONTH

"Feeling gratitude and not expressing it is like wrapping a present and not giving it."

– WILLIAM ARTHUR WARD

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.

WHAT OTHERS ARE SAYING ABOUT ALEXANDER BUSINESS LAW*

"I am making more money, have more free time, and am much happier."

I appreciate the assistance you provided with my practice. Because I took control of my practice and calendar, I am making more money, have more free time, and am much happier. I now can leave the office and go play a round of golf if I wish. So, for that I say, "Thank you!"

Karen Keaton, Esq.
St. Petersburg, FL

How to Create the FIRM OF YOUR DREAMS

By Ed Alexander

I'm a "business of law" junkie. The podcasts on my phone are almost entirely about law firm management, marketing, and technology. I attend events (most recently the Great Legal Marketing Summit) and talk with entrepreneurial lawyers. And when I'm not watching biking videos, I watch law firm management, marketing, and technology YouTube videos.

But there's a big problem with these podcasts, videos, and events. I find too many things that could be improved or implemented at Alexander Business Law. Like a kid in a candy shop unable to decide what to buy, it's overwhelming.

Over time, though, my thoughts have changed. Using an 80/20 analysis, I select one, two, or (at most) three most important goals.

Then, I break them into a series of small changes to be implemented over time.

Small changes are more likely to be successful and will build upon one another to create a multiplier effect of greater value. They work like a retirement account: retirement income is achieved after years of regular small investments that compound year over year. Big changes, on the other hand, are often resisted and abandoned.

When thinking about next years' goals and initiatives for your firm, be sure to filter through the noise of everything that could be done to find up to three goals with the greatest impact for your firm. Break those goals down into a series of small changes and begin implementing bit by bit immediately. You'll be surprised how much impact they'll have.

If you'd like to discuss what goals would have the greatest impact for your firm, call me at (407) 649-7777. I love to talk "business of law". □

Find up to three goals with the greatest impact for your firm. Break those goals down into a series of small changes and begin implementing bit by bit immediately.

The *Your Business Matters*™ Newsletter is a publication of Alexander Business Law. This publication is intended to educate the general public about business law and other issues. It is for information purposes only and is not intended to be legal advice. The information in this newsletter may be freely copied and distributed as long as the newsletter is copied in its entirety.

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THANK YOU FOR YOUR REFERRALS!

This month, we'd like to thank **Todd Bryant, CFP** and **Claramargaret H. Groover, Esq** 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!

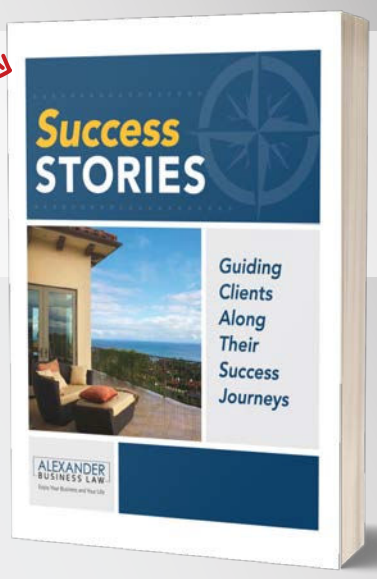
A Personal Message From Ed Alexander

Happy Holidays! In this issue of *Your Business Matters*, I share why it's important to Leave Something for the Buyer and my thoughts on Creating the Firm of your Dreams. Faith shares her thoughts on how you can add a little relaxation to your holiday through yoga. Recently, I had the opportunity to answer the question "Can I Sell My Firm?" on Victoria Collier's *Smart Lawyers Position to Transition* podcast. Check it out by scanning the QR code to the right. Finally, I hope you and your family find the time this holiday season to relax, reconnect, and enjoy spending time together.

– Ed

Stories of People Just Like You Who Have Reinvented Their Businesses in a Way that Serves Their Lives

FREE DOWNLOAD!



Discover How Mary Arranged Her Practice So She Could Spend More Time With Family, Work Remotely, and Ultimately Sell Her Law Firm

The succession plan for your law firm is one of the biggest choices you will have to make regarding one of your most valuable assets. 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 succession planning until it is forced on them by life. **An unplanned exit will be an unprofitable exit.**

Request this booklet to see how your fellow attorneys successfully exited from their firms, the methods they utilized, and the benefits they achieved. And how you too can stop doing work you don't like, keep doing work you love, and finally enjoy your firm and your life.

To get your FREE copy, call (407) 649-7777 or go to www.LawFirmExitSuccess.com