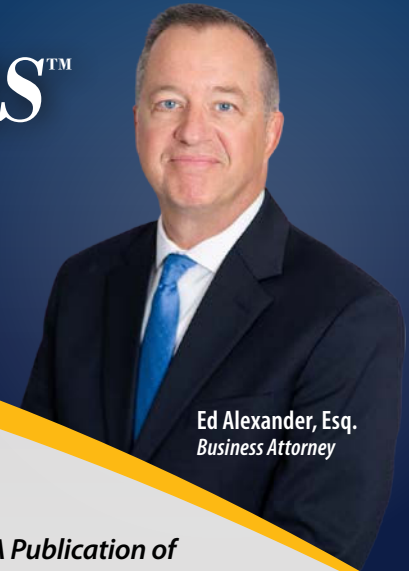


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Ed Alexander, Esq.
Business Attorney

Seller Mindset MISTAKES

By Ed Alexander



A Publication of
Alexander Business Law

June 2024

In my conversations with prospective sellers, I regularly encounter two repeating mindset mistakes that cause big problems when trying to sell a firm or business.

Selling the Whole and the Parts.

The first mindset mistake is when the owner wants to get paid for the business, and then paid again for some or all the assets.

Recently, an owner told me that, in addition to the practice value, he wanted to receive a fee for each new client that came from the mailing list. He reasoned that since he'd built the list, and it would continue to drive revenue for the firm, he should 'participate' in that revenue.

Unfortunately, this view misses the point of selling a going concern business.

Because all the assets – including the mailing list - were used by the firm to generate its revenue, it isn't reasonable to sell the stream of revenue without the components that create that revenue, including the mailing list.

It's like trying to sell a car then get paid an additional amount for the wheels.

Variations on this mindset mistake include:

- » *Expecting an origination fee or commission from sales to existing clients,*
- » *Licensing intellectual property assets (a book, videos, blog posts, podcasts, trade name, etc.) to the buyer after the sale for a license fee, or*
- » *Receiving a fee for use of the firm's systems after the closing.*

When selling a business as a going concern, all the assets used to create the revenue must be included in the transaction.

Fire Sale Timeline without Fire Sale Terms.

The second mindset mistake is an owner who has little time to complete a sale yet expects the highest possible purchase price and an all-cash deal.



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Learn to simplify the complex world of law firm management and ownership transitions so you can create the life and business you really want.

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Alexander Business Law specializes in empowering law firm and business owners to exit, expand, and maximize profitability. Our founder, Ed Alexander, has guided countless entrepreneurs toward achieving both personal freedom and financial prosperity. Our approach focuses on helping you enjoy your business and your life. Reach out to us at (407) 649-7777 or Info@AlexanderBusinessLaw.com.

— continued on page 3

The Florida Lifestyle of Attorney **DANA LIDFELDT**

Originally from Ft. Myers, Florida, my father is a (now) retired small business owner and my mother was a stay-at-home mom. I'm one of three children. As the middle child, I was always negotiating with my parents. Growing up surrounded by golf courses, swimming pools, and beautiful white sand beaches, my parents made sure my siblings and I appreciated the Florida lifestyle, and they introduced me to the game of golf at a young age.

I left Ft. Myers to attend the University of Florida. Go Gators! During my time at UF, I was involved in several organizations, including the Alpha Chi Omega sorority.

I graduated *magna cum laude* from UF with my bachelor's degree in advertising. While advertising allowed me to express my creativity, it did not surpass my interest in the law. After graduating from UF, I decided I wanted to be in the state's capital, and I chose to attend law school at Florida State University (still a Gator fan).

While attending FSU law, I spent a summer working in the clerk's office of the First District Court of Appeal.

I also spent a summer working as a summer associate for Roetzel & Andress (n/k/a Roetzel) in their Ft. Myers and Naples offices, where I worked with attorneys in various practice areas from transactional real estate to litigation. After graduating from FSU law, *cum laude*, in 2007,



Dana and her husband Chris

I returned to Roetzel's Ft. Myers office, as an associate attorney in the litigation department.

In mid-2010, I decided it was time to leave my childhood home and Roetzel. I moved to downtown Orlando and joined the law firm of Stovash, Case, Shay, & Pearce, P.A./SCSP, primarily handling complex business litigation matters.

It was in Orlando that I met my husband, Chris. After having children, my priorities changed and in 2021, I decided to step away from working as a full-time litigation attorney. It was a difficult decision but one that I knew was right for my family. Ed was in the SCT office when I made the rounds telling everyone I was leaving to spend more time with my family.

“As the daughter and granddaughter of small business owners, I understand the hard work, dedication and devotion small-business owners have for their business.”

In 2023, Ed reached out to me to see if I would be interested in working part-time. Ed and I had previously worked together on occasion. As the daughter and granddaughter of small business owners, I understand the hard work, dedication and devotion small-business owners have for their business. I am delighted to have the opportunity to work with and assist other business owners. □

— continued from page 1

Seller Mindset Mistakes

I regularly get calls from owners looking to be out and retire in three to six months. But while this owner has a short deadline to sell the firm or business, he absolutely won't consider an attractive offer price or great terms for a quick sale.

He'd rather close the firm and get little or nothing from it than receive even part of the firm's value in a quick sale.

Fire sale transactions rarely, if ever, result in full value or cash terms. Purchase price and terms are a function of the ability to properly market the firm for an appropriate period.

Give yourself time by starting the process as early as possible. It typically takes 9 to 18 months to sell a firm. An intermediary must complete a substantial amount of upfront work to appropriately market the firm. Plus, there may be some cleanup work to complete to get the best price possible.

If that isn't possible, set the price and terms so the firm will be very attractive to buyers.

If you're thinking about your exit, now is the time to start working on it. Call us at **(407) 649-7777** if you have questions or want to go over the process. We're here to help. □

- Ed

Rest and Relaxation



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| Rejuvenation | Wholeness | Gratitude |
| Tranquility | Equanimity | Delight |
| Bliss | Serenity | Ecstasy |
| Contentment | Well-being | Comfort |
| Fulfillment | Pleasure | Harmony |
| Inner peace | Calmness | |



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YOUR REFERRALS MAKE A DIFFERENCE

This month, we'd like to thank **Jon Franz & Matt Fitzgibbon** 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 Note From Ed

In April, Faith and I attended the quarterly Great Legal Marketing Mastermind Summit where I presented our current marketing efforts and shared our latest wins. By the time you receive this newsletter, Faith and I will have returned from our trip to Italy for my daughter's wedding and our cruise around the British Isles. This is our third attempt at this cruise, the last two were unsuccessful due to COVID. Hopefully the third time is the charm! I'll let you know how it goes! - Ed



New Podcast Episode:

The Unique Challenges of Succession Planning for Law Firms.

*What lawyers need to know about
buying and selling law firms.*

Join Ed on the Law Deals Podcast as he shares insights, strategies, and practical advice to ensure smooth transitions and successful deals in the legal sector.



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