



# What's It Worth?

## How to Build a Business That Pays You Back (Now and in Retirement)

### 1. Why Business Value Matters

Even if you're not planning to sell your business, knowing and improving its value is one of the smartest things you can do. Here's why:

1. **Leverage** – Higher value improves your ability to get loans or lines of credit.
2. **Future Flexibility** – Better options when you decide to exit or sell.
3. **Better Business Health** – Value-driven businesses are stronger, more sustainable, and more profitable.

*Even if you're not selling, knowing your value helps guide smart decisions.*

### 2. How Business Value is Calculated

SDE (Seller's Discretionary Earnings)	EBITDA (Earnings Before Interest, Taxes, Depreciation, Amortization)
For small, owner-operated businesses (<\$1M profit)	For larger/professionally managed businesses (>\$1M profit)
Net Income + Owner's Salary/Benefits + Perks + One-time Expenses	Profit from operations before interest, taxes, depreciation, amortization
Focus = Owner's financial benefit	Focus = Business performance itself
Typical Buyers = Individuals, Main Street buyers	Typical Buyers = Investors, Private Equity, Strategic buyers
Multiples: 2x–4x	Multiples: 4x–8x



### 3. Self-Assessment: 8 Key Value Drivers

Rating Meaning	SDE	EBITDA
Needs Major Improvement	1	4
Developing	2	5
Strong	3	6
Excellent	4	8

Value Driver	Your Score	Notes / Action Ideas
1. Entrepreneur is Redundant – Business runs without you		
2. Strategic Planning – Leadership team meets regularly to plan		
3. Customer Concentration – Diversified, resilient customer base		
4. Recurring/Predictable Revenue – Steady, reliable sales		
5. Systems & Processes – Documented and followed consistently		
6. Key KPIs – Clear, measurable goals tracked company-wide		
7. Profitability/Gross Margin – Improving with growth		
8. Visibility – Key metrics are visible and shared with the team		

### 4. Estimate Your Value

- Annual SDE or EBITDA amount: \_\_\_\_\_  
X
- Estimated Multiple: \_\_\_\_\_  
=
- Estimated Value: \_\_\_\_\_



## ★ 90-Day Action Plan

Based on your self-assessment, what 1–2 areas will you focus on improving over the next 90 days to increase your business value?

1. \_\_\_\_\_  
\_\_\_\_\_
2. \_\_\_\_\_  
\_\_\_\_\_

 Save the Date: **September 23, 2025 – Profits & Pints: Next Session!**

**Think Bigger:** Why 10x Growth is Easier than 2x

## August Special!

Put Your Value Growth Plan into Action

### Scaling Up Essentials Workshop

*Strategy. Structure. Momentum.*

You've just rated your business on 8 key value drivers.

**Now it's time to turn those scores into a focused 90-day plan.**

**In this 4-hour workshop, you'll:**

- Identify your top strategic priorities for the next 90 days
- Clarify roles & responsibilities to reduce owner-dependence
- Apply simple, proven tools to improve profitability & cash flow
- Leave with a clear, actionable plan to grow your business value

**\$40 off through August! Use code PINTS**

**\$155**

