

Maximizing the value of your business



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We feature a real-life story to show how to get the best value from your salon



A Salon Owner's Story

A worthwhile exercise

It was quite a co-incidence that having realised my business had reached a crossroads, I happened to chat to a client who had recently had an independent valuation carried out of her optician's practice. She had been approached by one of the 'big boys' in the field with an offer to acquire her business. She said she had been tempted to accept their first offer as she was nearing retirement. However, through her opticians' trade association, she was given the name of an independent company specialising in valuing small businesses whether it's for sale (or purchase) of business, partnership change, incorporation or business development.

Astonishingly, the valuation (predominantly goodwill) of her business turned out to be considerably more than she had been offered. Aided by a formal valuation report, she was able to negotiate a much better deal. In fact the additional money she made by far exceeded the modest outlay of the valuation itself.

Having developed my hairdressing business successfully over some 15 years, I had been considering opening up a new salon in

a buoyant trading area nearby and taking on a new partner to buy into the business and help me expand. I was hesitant, though, as I had no idea of current values so I contacted the company I was told about. They sent me some information by e-mail that day. Their fees seemed to be reasonable and because they said there was no need for them to visit my salon this was very helpful as I really didn't want the staff or clients to become concerned unnecessarily. Frankly, I was too busy to spend much time with them.

The whole process was very simple and took a couple of weeks from start to finish. The report itself was detailed and informative and I was agreeably surprised at the valuation figure given for the goodwill, the fixtures, fittings and so on. Despite current conditions, I hadn't realised how much I had achieved over the years. My accountant used the valuation as a basis for turning the business into a limited company so I could sell a proportion of the shares to a new co-owner and take life a bit easier.

I'm really so pleased that I'd had that conversation with one of my clients.

Salon owner's name and details withheld by request.

RA Valuation Services offer preferential rates for UK State Registered Hairdressers – call on 01425 402402 or e-mail info@ravaluations.com to ask for details.