

# MEANING BUSINESS

News & Information on Small Business Sales

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Four approaches that you might follow to  
future-proof your business or corporation.  
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## For the **FIFTH YEAR IN A ROW** Benchmark Business Sales have had one of it's business brokers recognised and awarded as the **REIQ Business Broker of the Year!**

Benchmark have again shown they mean business, by having two of the four finalists for Business Broker of the Year award at the 2017 Real Estate Institute of Queensland's Awards for Excellence.

For the last five years the  
**REIQ Business Broker of the  
Year** has been awarded to:

2017 - Mathew Hartley  
2016 - Ian Salter  
2015 - Ian Salter  
2014 - Iain Horne  
2013 - Iain Horne

**No other category in the REIQ awards has been  
dominated by one company like this.**

Not only has **BENCHMARK BUSINESS SALES** won the award for an unprecedented five consecutive years, but Benchmark brokers have been finalists in the awards every year for the last ten years, and have been winners of the award in previous years.

2017 Business Broker of the Year Mathew Hartley told the audience that he felt very honoured to be amongst all the other worthy finalists.

*"I am very proud to be a member of the REIQ and excited and grateful to accept the award. We have a great team in sales and administration... Made up of really great people."*

*"I am proud of all of them, the way they work together as a team to make great things happen. Our business growth has been huge."*

**Mathew Hartley**  
REIQ Business Broker of the Year  
2017



*"Winning this award is an incredible honour and a fantastic achievement, - particularly winning for a fifth time in succession."*




*"This award is a testament to the hard work our team puts in every day and to the exceptional growth we have achieved over the past 20 years"*

**Bruce Coudrey**  
Principal of Benchmark Business Sales

# SOLD

WE VALUE  
YOUR BUSINESS,  
YOU'LL VALUE  
OUR EXPERIENCE.

## DEMAND

-  INCREASING DEMAND
-  DECREASING DEMAND
-  STABLE



ACCOMMODATION

AUTOMOTIVE

DOMESTIC SERVICES

EDUCATION & TRAINING

FOOD & BEVERAGES

HAIR & BEAUTY

MANUFACTURING & AGRICULTURE

MEDIA & COMMUNICATION

PROFESSIONAL SERVICES

RESTAURANTS

RETAIL SHOPPING

SPORTS & RECREATION

TRADES

TRAVEL & TRANSPORT

**SOLD**

QLD

Building Material Supplier

\$2,400,000

**SOLD**

SA

Childcare Centre Freehold

\$1,710,000

**SOLD**

QLD

Supermarket

\$540,000

**SOLD**

QLD

Freehold Property

\$1,000,000

**SOLD**

VIC

Registered Training Organisation

\$960,000

**SOLD**

QLD

Service Station Freehold

\$270,000

**SOLD**

NSW

Childcare Centre

\$3,050,000

**SOLD**

QLD

Supermarket

\$1,738,000

**SOLD**

QLD

Welding Supply Company

\$135,000

**SOLD**

QLD

Childcare Centre

\$970,000

**SOLD**

VIC

Food Products Supplier

\$11,000,000

**SOLD**

QLD

Seafood Restaurant

\$1,850,000

**SOLD**

QLD

Dental Clinic

\$1,400,000

**SOLD**

QLD

Food Products Supplier

\$3,600,000

**SOLD**

SA

Beauty Salon

\$255,000



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# STATE OF THE MARKET REPORT

QUARTER 4  
2016

Category

Demand\*

Rule of Thumb

Approx. ROI

State of the Market

Motels	=		16-20%	Rural demanding cooling. Freehold popular
Mechanical Workshops	=	1 years Nett + P&E	100%	Franchises operations in demand
Service Stations	↗	2 times Nett +/-	28-50%	Independents still popular
Childcare Centres	↗	4 to 5 x EBIT	17-22%	Premium locations still sought by buyers
Storage Complexes	↗		13-18%	Demand is rising
RTO's	↗		22-40%	Government changes influence value
Bakeries (Non franchise)	↘	Year P/EBITDA + P&E	50-100%	Demand still down
Specialty Franchise Bakeries	=	10-14 x weekly sales	35-40%	Sales volume critical to profitability
Food Franchise	=	Times P/EBITDA	35-50%	Depends upon brand
Food Hall Businesses	↘	1 years Nett + P&E	50-100%	Unpopular
Ice Cream Parlours	↘	1 years Nett	50-100%	Location dependent
Supermarket (LARGE)	↗	11-14 times weekly sales	20-30%	Very strong demand
Supermarket (SMALL)	↗	10-12 times weekly sales	30-40%	Migration buyers favour this sector
Hair & Beauty	=		50-100%	Managed businesses are most popular
Manufacturing	↗	Multiple of EBITDA	25-100%	Popularity has increased - again
Courier Services	↘	Van Plus Goodwill	100%	Buy a Job Demand has reduced
Post Office	↘	2-3 x PEBITDA	33-50%	Values have declined
Accounting Practices	=	Cent per \$	N/A	Steady demand continues
IT & Communications	=		40-50%	Hard to secure listings
Printing	↘	10%-15% T/O	P & E +	Capital intensive
Professions	=	Cent per \$	Variable	Demand steady
Real Estate Offices	↗	\$ for \$	20% - 28%	Very strong demand
Cafe/Coffee Lounge (5 days)	=	1.5-3 times Nett	33-80%	CBD locations are very popular
Cafe/Coffee Lounge (7 Days)	↘	1-2 times Nett	50-100%	Premium locations still sought by buyers
Restaurants	↘	1-2 x PEBITDA	33-50%	Values have declined
Wholesale	↗		25-30%	Very strong demand
Newsagencies	↘	1.0 x PEBITDA	50-70%	Hard to sell
Surf Retail	↘		50-100%	Online retailers has killed this category
Caravan Parks Leasehold	=	Bank Valuation	15-20%	Demand is steady
Caravan Parks Freehold	↗	Bank Valuation	9-16%	Alternate use drives value. Demand up
Gymnasiums	↗	Depends upon type	25-100%	Popularity has increased - again
Services Offices	=		35-40%	Steady values
Home Services Franchises	=		40-80%	Demand is much lower than 10 years ago
Cleaning Businesses	↗	2 to 3 x EBIT	30-55%	Managed businesses are sought after
Taxi Plates	↘		18-23%	Uber has killed this industry
Transport Businesses	=	P&E + Goodwill	30-40%	Businesses with contracts are sought after
Travel Agencies	↘	\$25k per million	100%	Interest is low

# Ideas on how you can “Future Proof” your Business.

The future is, of course, unknown. Nobody can predict what's going to happen in the future. But just because we can't know precisely what the future holds, doesn't mean that we can't better prepare for it. We can analyse trends, look for signals, develop scenarios and make plans.

Here are four approaches that you might follow to future-proof your business or corporation.

## 1 Start with those trends that are reasonably predictable.

We can track trends that began in the past, are happening now, and are very likely to continue in the future. These trends often have such inherent momentum that we can be pretty certain -- barring major catastrophes -- that they will happen.

Many of these trends include events such as global population growth, urbanization, driverless cars, globalisation, digital revolution or climate change. Consider the ones that will have greatest impact and prepare for them. Be ready, for example, to adapt to the impacts of climate change.

This sounds simple and straightforward, but it's remarkable how many organizations ignore even the very clear trends. For example, on the current trajectory, half of U.K. shopping will be online in a decade. Amazon will have overtaken Walmart as biggest retailer in the world. Yet many supermarkets are still building brick and mortar stores.

How can you use trends to prepare your business for the future?

## 2 Think about the uncertainties.

How will these trends interact society? Are some trends incompatible in the longer-term? What will be the political, social and psychological responses from your markets?

A good approach is to develop a set of scenarios, or stories of the future. Each will contain elements of what could transpire -- what could happen. But no single one of them will be entirely correct.

So, recognising that there are a range of possible futures, do as the futurist Peter Schwartz suggests: Think of the best strategy today that is likely to succeed in all those possible futures.

The best-known example of this approach is Shell's scenario work, which allegedly helped them navigate the major oil shocks and come out stronger.

## 3 Scan the horizon for those emerging technologies, organizations or patterns of behaviour that might be signs of things to come.

I like to think of these as the seeds or shoots that are just poking through now, but that will grow into towering trees and forests of the future. Anything of world-changing importance that will occur over the next 15-20 years is already happening somewhere in the world.

Forward-looking companies use such "horizon-scanning" as part of competition analysis, and to avoid being blindsided by new technologies. It also can be very useful in helping people get to grips with the future and recognize that change is coming, and to prepare for change now..... rather than when it is too late.

## 4 Probably the best way to know what future holds is to create it yourself.

If you've got power -- either on your own or with others -- you can shape what happens. Before you do this, it would be sensible to have spent some time doing steps one, two and three above. But once you have thought about the future in a structured way, then don't be passive in the face of what's to come. Think of ways to make your own luck and create your own future. It's up to you.

### Try it.

Imagine the future. Ten years from now. How will your business look? What will your role be? What will your employees be doing? How will your clients of today be dealing with you in future? How will driverless vehicles and 3D printers affect your business? What can you do with APPs and online technology to defend from future threats to your future?

- **Make a list.**
- **Discuss the possibilities.**
- **Create a plan and take action.**

## MEET OUR NEW BROKERS



Ripple Parekh



Ellouise Moody



Troy Foran



Jerome Joseph



Michael Vitullo



Karen Woodrow



Nick Sykes

WE VALUE  
YOUR BUSINESS,  
YOU'LL VALUE  
OUR EXPERIENCE.

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