

6. INCREASED CAPITAL VALUE OF YOUR BUSINESS

At some stage, you may be looking to sell your business. Capitalising future earnings is the most common method used to value small businesses. The method looks at the rate of return on investment (ROI) a buyer can expect to get from the business. When deciding on the annual rate of return a buyer might be looking for there are no hard and fast rules about the number to choose, except higher risk should give higher returns.



- Selling a strong Franchise business can give far greater returns than selling a stand alone business. A National Tiles franchise has a much greater chance of long term success with greater annual profits. Even when compared to a stand alone business with similar profit history, a National Tiles franchise has a lower risk to the purchaser, which means you can demand a much greater rate of return when valuing your business
- A National Tiles franchise has extremely strong Brand Awareness and market acceptance (you are selling a well known brand), a proven track record, with a tried and tested business model, systems and manuals to help a new owner, and support available from both the Franchisor and other Franchisee's

"Commercial failure rates for franchisees are significantly lower than reported figures for independent businesses... The economic climate has altered many times over the years and franchising still remains an attractive option for both new and existing franchisors."
Richard Holden, Head of Franchising, Lloyds TSB