



# RedTire

Redefine Your Retirement

An Economic Development Program Of Lenawee Now

## RedTire: Purpose

The RedTire program works as a liaison between Lenawee County business owners ready to retire and entrepreneurs looking to purchase businesses in the area. The program is designed to address the issue of business closure in the Lenawee County area due to the pending retiree's lack of successor or viable exit strategy.

RedTire's goal is to ensure the economic future of Lenawee. With the program, loss of businesses, services, local tax base and business owner equity can be avoided.

## RedTire: How it Works

RedTire works as a professional matchmaking service between Lenawee County business owners looking to retire or sell their business and entrepreneurs who have the expertise and ambition to take over business ownership.

Each transaction is treated uniquely and carefully monitored by RedTire to ensure successful business ownership transition. However, there are a few general steps the RedTire process always follows:

1. Candidate business owners and potential new owners are identified via application on this website or by recommendation from friends and associates of RedTire (local bankers, attorneys and economic development officials).
2. Current business owners are asked to provide summary financial histories of their companies, and potential owners are asked to self-evaluate their candidacy via a summary questionnaire. RedTire then uses these two preliminary surveys to ensure good potential matches. All information provided will be held in the strictest confidence.
3. After the receipt of financial information and summaries, RedTire will alert all prospective candidates who have been selected for the program. If there is no current match between business and manager, all information will be retained for possible future matches. Any unmatched business owner or potential owner can request to be removed from the candidacy and that their information be returned at any time.
4. All selected candidates will be asked to provide additional business financial data and complete a survey RedTire will use to generate estimated business valuations.
5. After the receipt of the second round of information, RedTire will arrange a meeting at which an estimate of the business' purchasable value will be presented. This estimate is based on generally accepted business valuation models; the specific purchase price and deal terms will, of course, be up to the business owner to negotiate with the replacement management. RedTire will provide a guideline for valuation of the business to help begin the negotiation between retiring business owner and the replacement business management. The valuation and attendant deal terms are intended to help both parties proceed to a successful buy/sell negotiation, and does not represent an obligation on any party's behalf.
6. The RedTire team will be available to help both the business owner and the replacement candidate conduct a successful purchase and transition, including providing business counseling and advice post acquisition to help the new owner grow the business.

***The RedTire program and activities are free of any charge. It is the sole purpose of RedTire to help successfully connect retiring owners and potential replacements to further grow the Lenawee County economy and ensure job growth for its citizens.***