

JANUARY 2023

**CONFIDENTIAL**  
INFORMATION  
MEMORANDUM



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Should there be no interest in the opportunity described herein, immediate notification of such should be transmitted to TRANSWORLD, and this as well as any other materials provided should be returned to:

**JOHN DOE**  
Certified Business Intermediary  
123-456-7890

**Transworld Business Advisors**  
123 MAIN ST  
CITY, STATE, ZIP



01

# EXECUTIVE SUMMARY

# EXECUTIVE SUMMARY

## ABC BUSINESS

### COMPANY OVERVIEW

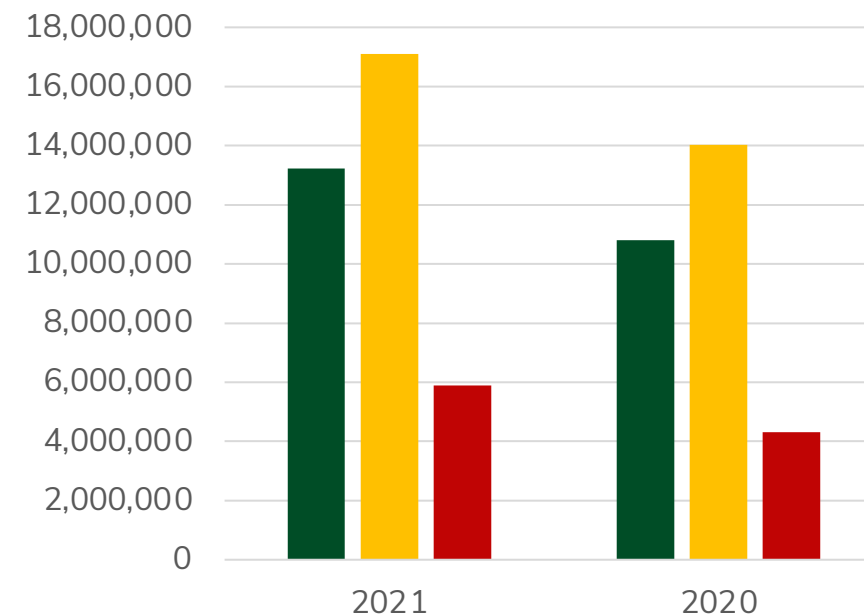
- ABC Business is one of the largest property management companies in the Pacific Northwest with over 400 properties available for short-and-long term rental.
- The Pacific Northwest is a desirable destination offering rental revenue for property owners year-round.
- The company built their own proprietary reservation management system that gives them a competitive advantage and ongoing cost savings.
- With 22+ years in business, ABC has an established digital presence with an updated, easy to navigate website, active social media and 2,000+ online reviews
- This business offers ongoing growth opportunities due to the vacation rental industry's rapid growth. Travelers are looking for a 'home away from home', an escape from all the hustle and bustle of their busy lives and ABC's luxury properties offer just that.
- The seller of this business is not involved in the day-to-day operations of the business. The full management team is set to stay post sale.

### TRANSACTION OVERVIEW

Seller willing to say on to train for 30 days post sale and ongoing for an agreed upon consulting fee. Non compete within 500 miles for 120 months

### FINANCIAL OVERVIEW

#### ABC BUSINESS



■ Gross Sales ■ Gross Profit ■ Adjusted Net to Owner

*\*other income within the business offsets the cost of sales resulting in a higher gross sales than gross profit*

# BUSINESS BASICS



ABC Business



Business Address: 123 Main St, USA



**Hours of Operation:**

Monday through Friday 8:00am – 11:00pm

Saturday 9:00am – 10:00pm

Sunday 12:00pm – 11:00pm



Legal Organization Type: S-Corporation



22 Years in Business



Company Website: [www.abcbusiness.com](http://www.abcbusiness.com)



Facility Type: Standalone Building, 10,000+ square feet

Building Owned: Yes

Option to Purchase Real Estate: Yes



Special Skills/Licenses Needed:

Insurance License

Vacation Lodging License

Designated Agent License

# KEY INVESTMENT HIGHLIGHTS

Strong Investment Potential

01



Solid Customer Base And Wide Geographical Presence

02



Healthy Financial Position And Strong Growth Projections

03



Proprietary Reservation System For Increased Bookings

04



Well-known and Experienced In the Area and Industry

05



Very Strong And Competitive Property Portfolio

# BUSINESS OVERVIEW

## **ABC Business is a full-service marketing and management company for rental properties.**

At ABC, the property homeowners are referred to as 'partners' and the valued relationships they build with those partners is of the utmost importance. The homeowners know that they are an integral part of the business and are always treated with the respect that is deserving of a family member.

The staff at ABC is there to provide the best guest experience. This includes assisting both the homeowners and the guests with anything related to lodging, marketing and maintenance at the properties. Homeowner reinvestment is an important part of maintaining a vacation home that guests will return to again and again, and ABC is there to help with those efforts.

All of the properties within ABC's portfolio are actively marketed for both organic and paid campaigns. Guests are serviced from booking to check out via a guest services office in Index. Reservations, housekeeping, accounting, maintenance dispatching, pest control, lawn care, laundry service, trash pick up, minor and major repairs, etc. are all part of active property management. ABC can help coordinate improvements, renovations, staining, refurnishing, or just about anything a property might need.

By providing clear direction and developing an understanding of the business of hospitality, ABC's systems and processes encourage growth and maximize the performance of each property to the benefit of the partner and the company.



“

Guests come to ABC Business for privacy and luxury. With a book of over 400 properties across the region, we have something to fit everyone's needs and likes.

**JOE FOUNDER** / COMPANY FOUNDER

[www.abcbusiness.com](http://www.abcbusiness.com)



# COMPANY HISTORY

ABC Business, like many great companies, was conceived from a need. The founder and current owner purchased and built a few properties in the Pacific Northwest for rental. After some less than satisfactory experiences with local property managers, the owner quickly realized the need for better marketing and management in the area. Already the owner of several other successful businesses, he recognized the opportunity and founded ABC Business.

From those unexpected beginnings with just a couple of properties and a good idea, ABC Business led Pacific Northwest's charge into internet marketing, online reservations, and full-service property management. Looking back 22 years ago there were no pre-packaged software solutions for reservations, accounting, and online sales. As a result, ABC wrote their own. Those proprietary operating systems have been developed and improved consistently over the last 20 years and are still in use by the company today offering a competitive advantage and ongoing cost savings to ABC.

Today, more than two decades later, ABC is widely regarded as the leading property management and marketing company in the Pacific Northwest.



***“My entire family loved the cabin! What a great weekend. One of the best trips to the PNW that we’ve ever had!”***

*-Google Review*

# COMPANY TIMELINE

With over 22 years of experience in the industry, ABC Business has developed into a very successful business with a flawless reputation in the region they serve.



2000

The founder starts ABC Business after noticing a lack of efficient property management companies in the Pacific Northwest.



2010

To appropriately handle incoming call volume and streamline sales efforts, ABC relocates their call center to a new facility in Washington.



2011

A general manager joins the ABC family and the company sees exponential growth under his leadership.



2018

ABC Business opens a new 10,000+ square foot facility in Index for convenient guest services.



2023

ABC Business remains one of the largest property management companies in the area providing a full-service experience to their homeowners.

# SERVICE HIGHLIGHTS

Over the years ABC has focused their efforts on building a successful set of systems and processes to provide the best support to both guests and homeowners.

## Professionally Staffed Reservation Department

- Professionally trained reservationists with one focus – booking properties.
- A reservation system proven to generate twice the national average of reservations booked per phone call taken.
- Technologies to track and rank leads for staff to follow up on. The reservation team works hard to convert every call.

## Total Transparency through Advanced Technology

- All property owners have access to an "Owner's" page at [www.abcbusiness.com](http://www.abcbusiness.com) to keep track of all future, past and current revenue by month.
- Reservations, expenses, maintenance requests and internal staff notes all within an easy-to-use portal.
- If additional support is needed all homeowners are paired with one of ABC's managers' and provided their contact information so all communications can be promptly returned.

## Top Internet Placement and Comprehensive Marketing

- A top presence in all the major search engines guaranteeing homeowners premium exposure for their properties
- In-house marketing experts operating a myriad of advertising platforms, landing pages, and search tools to maintain internet presence.
- Partnerships with a variety of secondary advertisers including Trip Advisor, Yelp, Resort and Lodges, and many more.
- Additional marketing efforts including magazine, radio, and tv ads.

# SERVICE HIGHLIGHTS CONTINUED

Over the years ABC has focused their efforts on building a successful set of systems and processes to provide the best support to both guests and homeowners.

## Updated Website and Positive Online Presence

- Easy navigation and booking processes within an updated website to make shopping and booking easy for guests
- Advanced search options within the site by any number of criteria to help narrow property choices
- Searches rotate hourly so all properties get fair exposure on the site
- Positive online ratings and feedback on BBB, Yahoo Travel, Trust Pilot, and Shopper Approved
- ✓ Google: 4.9 stars (2,852 reviews)
- ✓ Facebook: 4.8 stars (2,500 votes)

## Property Protection Program and Travel Insurance

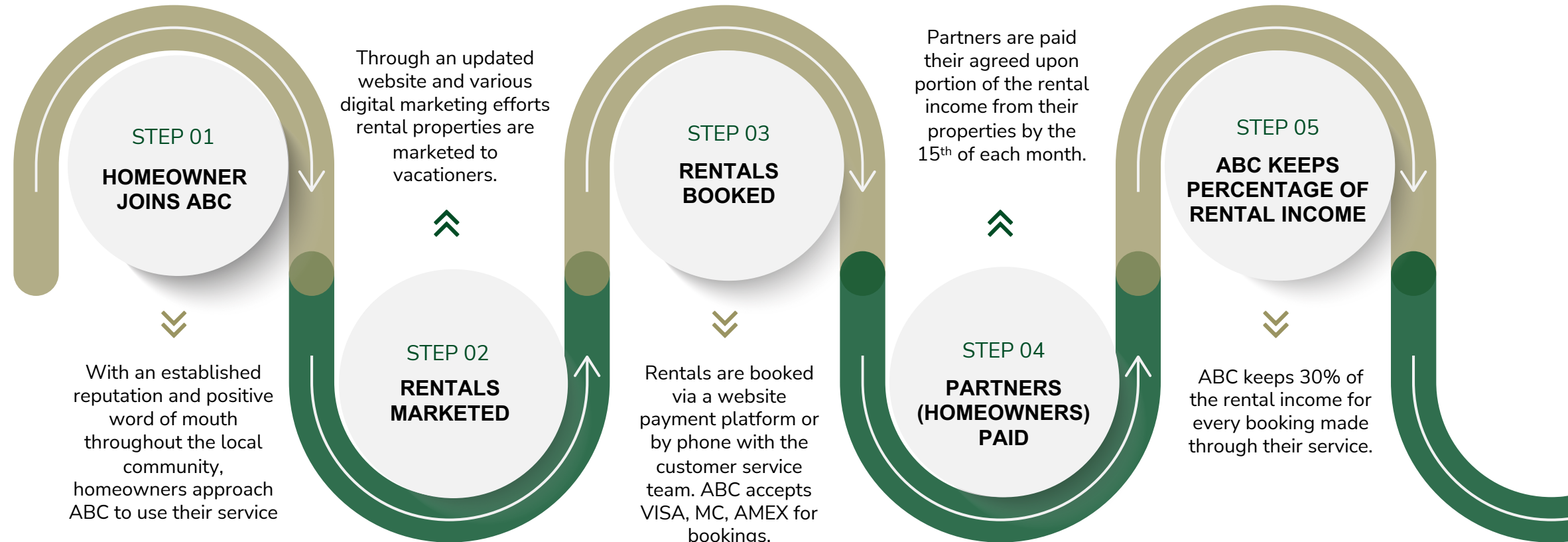
- A comprehensive property protection program to protect both guests and homeowners from unintentional, non-negligent, damage to the property and its contents
- Travel insurance to help protect homeowners from lost reservations due to snowy roads and winter weather conditions
- If a guest has travel insurance, but can't get to the cabin due to winter road conditions, the homeowner can still be paid for those nights

## Reliable Payments and Direct Deposits

- Rental revenue is paid to homeowners every month on or before the 15<sup>th</sup> for the previous month's rentals.
- Funds are transferred by paper check included with the monthly statement, or homeowners have the option of setting up direct deposit.

# BUSINESS MODEL

Every step of the business model at ABC was thoughtfully developed and is thoroughly maintained from the team of dedicated reservation staff to a comprehensive paid and organic marketing program for online reservations. Everything is tracked and analyzed to produce the most efficient system in the business.



# PROPERTY PORTFOLIO

With over 400 incredible properties, famously great prices and outstanding customer service, ABC Business is the most trusted resource for Packwood and Port Angeles cabin rentals.



## PACKWOOD, WA

- Packwood is less than an hour drive to Mt. Rainier National Park.
- Packwood offers the seclusion of cabin in the woods living with many outdoor and Pacific Northwest amenities.



## PORT ANGELES, WA

- Port Angeles, located in the Olympic Peninsula, is the gateway to Olympic National Park, the most visited national park in Washington.
- The area has become a major tourist destination with more than 2 million people visiting each year.

# PROPERTY PORTFOLIO

ABC Business offers the most diversified selection of Packwood and Index cabin rentals in the Pacific Northwest. From one-bedroom romantic getaways to luxurious eleven-bedroom corporate retreat cabins, all conveniently located near local attractions.

ABC's website offers a variety of categories for customers to browse when looking for the perfect vacation property:

- Log Cabins
- Luxury Cabins
- Pet Friendly Cabins
- Private Pool Cabins
- Secluded Cabins
- Value Cabins
- Rentals for Couples
- Rentals for Families
- Properties for Large Groups
- Properties with Views



# PROPERTY PORTFOLIO

## FEATURED RENTALS IN PACKWOOD, WA



### RENTAL #1

Luxury 2-bedroom, 2-bathroom real log cabin, conveniently located near Packwood amenities.

Weekly rental:  
\$1,200 - \$3,000



### RENTAL #2

Newly remodeled 3-bedroom, 3.5-bathroom luxury chalet minutes from downtown and the national park. Nestled near the famous Mt. Rainier National Park.

Weekly rental:  
\$1,500 - \$3,900



### RENTAL #3

One of a kind 3-bedroom, 2-bathroom with soaring 30 ft tall, hand-carved log-beam cathedral ceilings with floor-to-ceiling windows. Minutes to the national park entrance.

Weekly rental:  
\$1,395 - \$3,325



### RENTAL #4

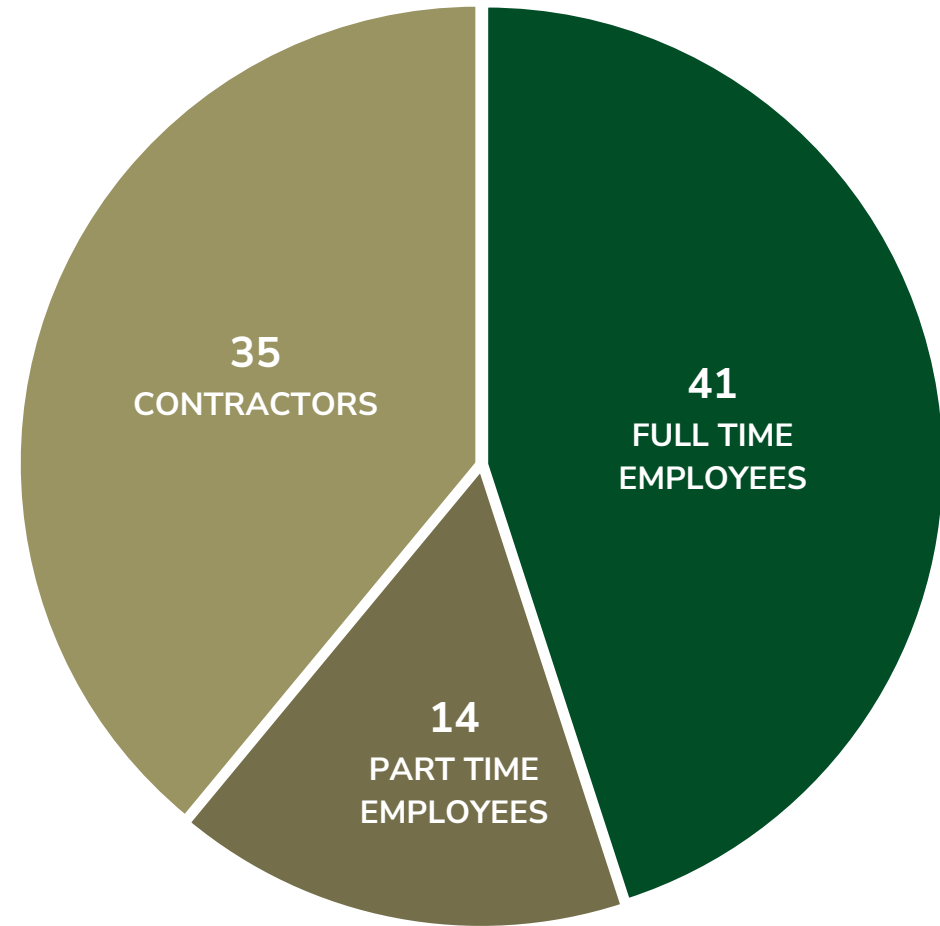
The first log home in an exciting new development. 3-bedroom, 3-bathroom with views overlooking the surrounding mountains.

Weekly rental:  
\$1,725 - \$4,000



# EMPLOYEES

At ABC Business



# EMPLOYEE OVERVIEW

The experienced team at ABC Business are all seasoned in their positions. It will be easy to keep the company running smoothly while a new owner/manager learned the business.

## EXPERIENCED, TENURED EMPLOYEES

Employee 1 has worked for the current owner for almost 40 years. She began as a programmer within his previous business before moving over to ABC Business.

Employee 2 also began as an employee at the previous business, and then transferred to ABC Business. She is the secretary for the business, a true 'do it all' and 'know it all' professional in the office.

## RECRUITING AND TRAINING OF NEW EMPLOYEES

The timeline for recruiting and hiring for new employees depends on the position. Reservation and guest service agents never really stop training, but as their training advances, so does their "tier", responsibilities, and wages.

## EMPLOYEE TURNOVER

ABC Business has very little turnover particularly at the supervisor/manager level. The 3rd shift laundry position is the only job in the company that sees regular turnover. The company has developed a great work environment in laundry along with the facility itself being new and air conditioned with wifi, cable tv, and a break room. Still the 3rd shift labor jobs generate the most turnover of any position.

# KEY MANAGEMENT

There are many valuable staff members working behind the scenes to make each and every investment property, and this company a huge success. The management team leads internal efforts to grow the business while also corresponding directly with the homeowners for day-to-day tasks.

## GENERAL MANAGER

Tenure: 11 years

They manage both offices, homeowner communication, recruitment, construction and maintenance solutions.

## CHIEF FINANCIAL OFFICER

Tenure: 8 years

They are responsible for the accounting department, tax and government filings, monthly statements and deposits.

## LEAD RESERVATIONS MANAGER

Tenure: 15 years

They lead the team of seasoned, multi-tiered reservation staff.

## OFFICE MANAGER

Tenure: 17 years

They manages guest services and office operations.

## HOUSEKEEPING MANAGER

Tenure: 20 years

They oversee housekeeping, laundry staff, and inspectors

## MARKETING / PROGRAMMING

Tenure: 15 years

They oversee the maintenance of ad campaigns, the operating system and servers and web programming.

# FACILITIES

## Guest Services/Laundry and Housekeeping

ABC has a conveniently located office complex in Index for guest services. While most of the guests enjoy the convenience of a 'hassle free' (no contact) check-in, this location allows the company to provide personal service that some guests prefer.

The building also has a state-of-the-art laundry facility where all laundry for all properties is processed in-house.



## Reservations and Accounting Office

Due to the high volume of reservation calls the reservations staff is in a separate location in Washington, where they handle all reservation calls. Without the distractions of normal office calls the reservationists can take more time with the potential guests, helping them to tailor their vacation needs to the perfect rental property.

# SOCIAL MEDIA

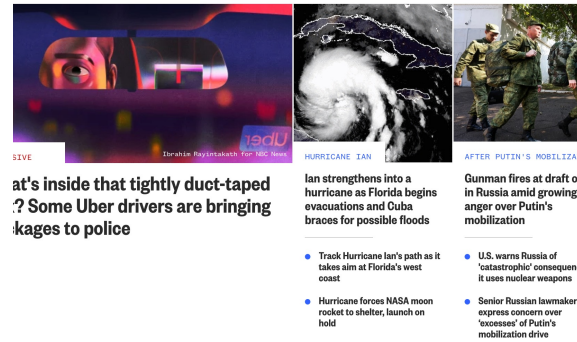
ABC has an active social media presence with daily posts on the four major outlets.



~35,000 FOLLOWERS

# PRESS MEDIA & INTERNET PRESENCE

JUSTICE PLAN YOUR VOTE U.S. NEWS WORLD COVID BUSINESS OPINION



at's inside that tightly duct-taped cages to police

HURRICANE IAN  
Ian strengthens into a hurricane as Florida begins evacuations and Cuba braces for possible floods

- Track Hurricane Ian's path as it takes aim at Florida's west coast
- Hurricane forces NASA moon rocket to shelter, launch on hold

AFTER PUTIN'S MOBILIZATION  
Gunman fires at draft of in Russia amid growing anger over Putin's mobilization

- U.S. warns Russia of 'catastrophic' consequences if it uses nuclear weapons
- Senior Russian lawmakers express concern over 'excesses' of Putin's mobilization drive

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## could be 'something we haven't seen in our lifetime'



ES Florida's west coast counties have evacuations as the hurricane continues rapidly as it heads toward Cuba

Try our lite site | Track Ian | Receive email updates



## Meadows texts reveal direct White House dialogue with operatives

- The mysterious nine-second call from the White House to a January 6 rioter: CNN reveals the rioter's identity for the first time
- Wisconsin House speaker sues House January 6 committee, seeking to block subpoena



## Drone video shows traffic jam as Russia flees mobilization

Cuba legalizes same-sex

**Analysis:** A very revealing quote about why he ran

12-year-old boy in 'critical' alleged gang-rape in Nevada

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Meerah Powell / OPB

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02

# FINANCIAL OVERVIEW

# INCOME AND EXPENSE RECAST 2021

	SELLER'S STATEMENTS	ADJUSTMENT	REASON	ADJUSTED
<b>GROSS SALES</b>	<b>\$13,222,236.00</b>			<b>\$13,222,536.00</b>
Other Income	\$4,156,260.00			\$4,156,660.00
<b>COST OF SALES</b>	<b>\$283,066.00</b>	\$0.00		<b>\$283,066.00</b>
<b>GROSS PROFIT</b>	<b>\$17,096,130.00</b>	\$0.00		<b>\$17,096,130.00</b>

<b>Expenses</b>				
	SELLER'S STATEMENTS	ADJUSTMENT	REASON	ADJUSTED
Accounting	\$10,384.00	\$0.00		\$10,384.00
Advertising	\$848,114.00	\$0.00		\$848,114.00
Amortization	\$0.00	\$0.00		\$0.00
Auto/truck	\$37,587.00	-\$37,587.00	Personal	\$0.00
Bad debts	\$58,022.00	-\$58,022.00	Personal	\$0.00
Bank Charges	\$5,099.00	\$0.00		\$5,099.00
Credit Card Charges	\$839,475.00	\$0.00		\$839,475.00
Contract Labor	\$3,540,991.00	\$0.00		\$3,540,991.00
Depreciation	\$348,284.00	-\$348,284.00	Non Cash Deduction	\$0.00
Donations	\$0.00	\$0.00		\$0.00
Dues & Subscriptions	\$24,055.00	\$0.00		\$25,055.00
Housekeeping	\$180,883.00	\$0.00		\$180,883.00
Exterminating	\$0.00	\$0.00		\$0.00
Freight	\$0.00	\$0.00		\$0.00
Insurance - Business	\$189,356.00	\$0.00		\$189,356.00
Insurance - Auto	\$0.00	\$0.00		\$0.00
Insurance - Health	\$0.00	\$0.00		\$0.00
Interest	\$1,893.00	-\$1,893.00	Personal	\$0.00
Internet	\$0.00	\$0.00		\$0.00
Janitorial	\$397,851.00	\$0.00		\$397,851.00
Legal	\$0.00	\$0.00		\$0.00
Licenses	\$600,792.00	\$0.00		\$600,792.00
Miscellaneous	\$1,873.00	\$0.00		\$1,873.00

	SELLER'S STATEMENTS	ADJUSTMENT	REASON	ADJUSTED
Outside Services	\$72,179.00	\$0.00		\$72,179.00
Office Supplies	\$0.00	\$0.00		\$0.00
Payroll Officers	\$232,166.00	-\$232,166.00	Personal	\$0.00
Payroll Taxes Officer	\$0.00	\$0.00		\$0.00
Payroll Employees	\$2,511,867.00	\$0.00		\$2,511,867.00
Payroll Taxes	\$0.00	\$0.00		\$0.00
Postage	\$10,879.00	\$0.00		\$10,879.00
Rent	\$23,791.00	\$0.00		\$23,791.00
Repairs	\$486,665.00	\$0.00		\$486,665.00
Supplies	\$1,216,893.00	\$0.00		\$1,216,893.00
Service Fee	\$913.00	\$0.00		\$913.00
Uniform	\$963.00	\$0.00		\$963.00
Telephone	\$83,050.00	-\$17,594.00	Personal	\$65,456.00
Trash & Rubbish	\$0.00	\$0.00		\$0.00
Travel	\$103,156.00	-\$103,156.00	Personal	\$0.00
Meals & Entertainment	\$14,518.00	-\$14,518.00		\$0.00
Utilities	\$91,539.00	\$0.00		\$91,539.00
Pension Profit Sharing	\$12,507.00	-\$12,507.00	Personal	\$0.00
Employee Benefits	\$165,589.00	\$103,283.00		\$62,306.00
Computer Exp	\$15,994.00	\$0.00		\$15,994.00
<b>TOTALS</b>	<b>\$12,128,128.00</b>	<b>-\$928,810.00</b>		<b>\$11,199,118.00</b>
<b>ADJUSTED NET TO OWNER</b>	<b>\$4,967,802.00</b>			<b>\$5,896,812.00</b>

The above set forth information has been secured from the Seller. Transworld Business Brokers, LLC in no way guarantees the accuracy of such information, nor does it warrant any assumptions as true and correct. The Seller agrees that this information and other documentation will be made available through Broker. The Seller has authorized Broker to disclose this information to any Prospect. A faxed copy of this document and any signatures, shall be construed as original.



# INCOME AND EXPENSE RECAST 2020

	SELLER'S STATEMENTS	ADJUSTMENT	REASON	ADJUSTED
<b>GROSS SALES</b>	<b>\$10,806,040.00</b>			<b>\$10,806,040.00</b>
Other Income	\$3,432,885.00			\$3,432,885.00
<b>COST OF SALES</b>	<b>\$216,677.00</b>	\$0.00		<b>\$216,617.00</b>
<b>GROSS PROFIT</b>	<b>\$14,022,248.00</b>	\$0.00		<b>\$14,022,248.00</b>
<b>Expenses</b>				
Accounting	\$9,375.00	\$0.00		\$9,375.00
Advertising	\$903,943.00	\$0.00		\$903,943.00
Amortization	\$0.00	\$0.00		\$0.00
Auto/truck	\$27,377.00	-\$27,377.00	Personal	\$0.00
Bad debts	\$59,936.00	-\$59,936.00	Personal	\$0.00
Bank Charges	\$6,007.00	\$0.00		\$6,007.00
Credit Card Charges	\$708,019.00	\$0.00		\$708,019.00
Contract Labor	\$2,963,693.00	\$0.00		\$2,963,693.00
Depreciation	\$73,517.00	\$0.00		\$73,517.00
Donations	\$0.00	\$0.00		\$0.00
Dues & Subscriptions	\$20,359.00	\$0.00		\$20,359.00
Housekeeping	\$176,812.00	\$0.00		\$176,812.00
Exterminating	\$0.00	\$0.00		\$0.00
Freight	\$0.00	\$0.00		\$0.00
Insurance - Business	\$174,134.00	\$0.00		\$174,134.00
Insurance - Auto	\$0.00	\$0.00		\$0.00
Insurance - Health	\$0.00	\$0.00		\$0.00
Interest	\$4,357.00	-\$4,357.00	Personal	\$0.00
Internet	\$0.00	\$0.00		\$0.00
Janitorial	\$368,775.00	\$0.00		\$368,775.00
Legal	\$0.00	\$0.00		\$0.00
Licenses	\$485,702.00	\$0.00		\$485,702.00
Meals & Entertainment	\$7,440.00	-\$7,440.00		\$0.00

	SELLER'S STATEMENTS	ADJUSTMENT	REASON	ADJUSTED
Miscellaneous	\$8,500.00	\$0.00		\$8,500.00
Outside Services	\$86,367.00	\$0.00		\$86,367.00
Office Supplies	\$0.00	\$0.00		\$0.00
Payroll Officers	\$237,204.00	-\$237,204.00	Personal	\$0.00
Payroll Taxes Officer	\$0.00	\$0.00		\$0.00
Payroll Employees	\$2,077,953.00	\$0.00		\$2,077,953.00
Payroll Taxes	\$0.00	\$0.00		\$0.00
Postage	\$10,284.00	\$0.00		\$10,284.00
Rent	\$23,791.00	\$0.00		\$23,791.00
Repairs	\$361,719.00	\$0.00		\$361,719.00
Security	\$0.00	\$0.00		\$0.00
Supplies	\$981,075.00	\$0.00		\$981,075.00
Taxes (Other)	\$0.00	\$0.00		\$0.00
Telephone	\$79,245.00	-\$16,629.00	Personal	\$62,616.00
Travel	\$60,265.00	-\$60,265.00	Personal	\$0.00
Uniforms	\$1,244.00	\$0.00		\$1,244.00
Utilities	\$80,619.00	\$0.00		\$80,619.00
Pension Profit Sharing	\$8,380.00	-\$8,380.00	Personal	\$0.00
Employee Benefits	\$114,182.00	\$0.00		\$114,182.00
Computer Exp	\$18,578.00	\$0.00		\$18,578.00
<b>TOTALS</b>	<b>\$10,137,852.00</b>	<b>-\$420,588.00</b>		<b>\$9,716,264.00</b>
<b>ADJUSTED NET TO OWNER</b>	<b>\$3,883,396.00</b>			<b>\$4,304,984.00</b>

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# BUSINESS VALUATION

We have calculated an asset value and an intangible value. Taken together, these two components of value form the most probable selling price value. This is the best estimate of current company value for the company, a target price point where reasonable buyers and sellers can agree on the potential value of ABC Business.

The **tangible asset price or asset value** represents the current estimated value of the following:

- Inventories for resale or consumption.
- Equipment and vehicles.
- Leasehold improvements. Transferable rights and privileges uncontrolled by scarcity

The **intangible asset price or business value** represents the current estimated value of the following:

- Establishing a customer base which will continue to trade with this company after it is sold.
- Securing a location, designing and constructing a floor plan and securing and installing equipment.
- Management systems in place and producing cash flow.
- Proprietary rights or limited issue permits.
- Free training and available consulting time.

ASSET VALUE

\$4,500,000

ESTIMATED COMPANY VALUE

\$56,000,000

INTANGIBLE VALUE

\$52,000,000

JANUARY 2023

**THANK YOU**

