



Nationwide Automotive Aftermarket Business Broker
Business Valuations • Exit Planning • Buying & Selling Advisor



ART BLUMENTHAL LLC CASE STUDY

Another Installment in the “Be Your Own Boss” Series

**Selling an Auto Service Franchise
Business Utilizing the Services of a
Broker**

Memphis Midas Auto Service Experts

798 East Brookhaven Circle
Memphis, TN 38117

My Dad was an avid woodworking craftsman and Mr. Fix-it. He would eagerly await the Sears Craftsman tool catalog to arrive each month, and almost everything he purchased is still in use decades later for my own home projects.

My fondest memories as a kid were spent with dad planning and building one home improvement or repair project after another.

To facilitate the process of deep thought, some people doodle, others jog or meditate or pray or do a thousand other things that make us human and seek answers to life’s ongoing problems. My father, a methodical accountant by trade, found his escape as a jack-of-all-trades builder and tinkerer.

His systematic approach and painstaking attention to detail were evident in both his work and his hobbies. Each project would be carefully planned and organized...if the right tool was not available for the job, it was time for a trip to Sears. I admired his calm approach when an unforeseen problem occurred, a deliberate pause followed by an orderly adjustment to the plan.

As a kid, sometimes if I saw the workshop light on late at night, I would sneak in and offer my help, always eager to learn how to use a new tool, especially one with a motor in it. Those were bonding moments that I clearly remember. At the time, I didn’t quite understand and appreciate the sense of satisfaction that he experienced when pausing to admire his completed project, but over the years, that feeling of pride that one enjoys in a successful outcome has grown.

Once I was an adult and chose an automotive aftermarket career, I carried with me the concept that every challenge can be approached by patiently putting together a plan and strategy, with



Seller C.J. Passmore II (left) passes the keys for Brookhaven Midas in Memphis, TN to new owner Bill Brickhill

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the flexibility to calmly react and find a solution when things go wrong.

Automotive service is really all about step-by-step procedures, whether the problem is simple or complex. As business owners know all too well, having a shop run in an orderly fashion is an everyday challenge...whether diagnosing an intermittent starting problem on a customer's vehicle, or ensuring the right parts are available for each job, or closing the books at month end, or the myriad of other challenges.

During the years that I was an owner of multiple Midas shops and then as an auto service software developer and now as a business broker specializing in the aftermarket, I've applied the principles learned from my dad to my work...create a step-by-step plan, own the right tools to do the job right, maintain focus on how the final outcome should look, work patiently and diligently to achieve the right result, adapt and react to the roller-coaster of unforeseen circumstances, and gain satisfaction from a positive result.

I've found that every new listing is like a fresh new project. Although the perfect outcome is always a Win:Win situation for both buyer and seller, the backgrounds and experiences of the people involved and the steps to getting there are always different.

For example, although many business sales involve a retiring older owner selling to a younger buyer, here's one that was just the opposite...

<p>Seller's Background & Motivation to Sell</p>	<p>C.J. Passmore II worked for ten years in the auto service business owned by his family for 26 years, purchasing the business in 2008. At age 29, with a wife and expecting a new baby, C.J. decided to get a fresh start and move in a different career direction. Although he had been approached in the past with offers for his successful franchise, the timing didn't seem right until now.</p>
<p>Buyer's Background & Motivation to Buy</p>	<p>Bill Brickhill is a U.S. Navy veteran, having served his country since 1981, for 20 years of active service, followed by seven years in the reserves.</p> <p>He was initially an enlisted man, trained as a Machinist's Mate, but then later on received his commission as an officer. So he has experience working at every level and on all size Navy ships. He spent years getting his hands dirty, as well as supervising those who do.</p> <p>When asked what attracted him to the automotive aftermarket, Bill admitted that it had been a long journey, commencing about six years ago, a year before his retirement from the Navy. While working as a civilian consultant, he started looking at different career options.</p> <p>"I really wanted to own my own business, but wasn't sure which industry would be the right fit. Once both of my kids got to high school age and my family and I decided to make our permanent home in Memphis, I explored various possibilities, from convenience stores to gas stations, liquor stores, even at one time coming close to buying a sports bar, but then changing my mind," said Bill.</p> <p>He continued, "I really wanted a business which matched my professional values in which I could make a positive impact."</p>
<p>The Business: An Overview</p>	<p>The Midas on Brookhaven Circle in Memphis, TN is an established, profitable turnkey operation with equipment, inventory, and experienced employees in place.</p> <p>This well-maintained, seven-bay, fully-equipped shop was staffed with the Owner/Manager, two full time and two part time quality technicians in a building of approximately 4,000 square feet.</p>

	<p>It is currently one of only three Midas franchise locations in the Memphis metropolitan area of 1.2 million residents, including 680,000 in the City of Memphis. The Business is located on the busy intersection with Poplar Avenue, a high traffic commercial strip which runs east/west between downtown Memphis and a nearby Interstate 240 exchange. The area includes several strip retail centers, including the Eastgate Shopping Center directly across the street.</p> <p>Midas is a globally recognized brand and one of the world's largest providers of automotive service, offering total car care including brakes, oil changes, exhaust, scheduled maintenance, tires, steering and suspension services.</p>
Selecting a Business Broker	<p>C.J. said, "A couple of years ago, Midas Corporate notified Art Blumenthal that someone was interested in my business. But when he called me about it, the timing wasn't right for me. So at the time, he told me that if I ever want to sell, to give him a call. So when I was ready, I just called Art."</p> <p>Bill said, "By chance I found the Memphis shop listing posted by Art Blumenthal on-line and then checked out his website and did some research and contacted him."</p> <p>Art arranged for a face-to-face meeting in February and flew to Memphis to join them. "Long story short..." said Bill, "...it was a good fit."</p>
The Business: What's It Worth?	<p>"I already knew what I wanted to sell it for," noted C.J. "Art looked at everything and said that would be a fair price." Establishing a sales price included taking into consideration a variety of factors:</p> <ul style="list-style-type: none"> • Past and current sales trends • Strong discretionary cash flow • Pre-approved for 85% Wells Fargo Bank financing, with a SBA guarantee • Excellent demographics in the immediate area

"Buying a business is like working on a MBA the hard way...a real trial-by-fire. A good business broker can smooth that arduous process..."

...Bill Brickhill, Buyer

Scope and Timeline of Sales Process	<p>C.J. said, "I contacted Art in December, we listed it in the beginning of January and he found a buyer by the middle of February. Art had put together a very comprehensive presentation for potential buyers...I was very impressed with it...and the rapid response was exciting.</p> <p>"Art took the reins of the sales process...he even flew to Memphis for the first introduction and walkthrough by the potential buyer, Bill Brickhill. Once it was established that Bill was a serious buyer, we both relied on Art to walk us through the many issues that crop up...especially with the involvement of the attorneys and the bank. But I've got to say that Art was always on top of it and was very good in communications with my attorney and the buyer's attorney and the banks and coordinating everything. I was very pleased with what he was able to do. It was handled in a very professional way. Then we closed on May 8th, again with Art present to oversee all the details."</p>
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<p>Scope and Timeline of Purchase Process</p>	<p>Bill noted, "Buying a business is like working on a MBA the hard way...a real trial-by-fire. A good business broker can smooth that arduous process. For a first time buyer, having someone involved who knows the ropes is definitely a plus. There's an amazing amount of paperwork and negotiations to get the deal done."</p>
<p>Post-Sale Activities & Observations</p>	<p>A few weeks after the closing, C.J. said, "I am quite pleased with what's happened...the successful conclusion...and I believe Bill feels the same way."</p> <p>The sales contract provided that the Seller would provide a minimum of two weeks training after the closing. In addition, Midas as the Franchisor provides classroom training, on-line training and field training in an operational shop.</p> <p>C.J. said, "For a few weeks until the end of the month, I was there every day. I've trained a lot of people on the operation of the business in the past ten years and Bill is picking up on it pretty quickly. He has a mechanical engineering background. Customers and employees seem to really like him. I want him to be as successful as he can be and I'll do anything I can to help him."</p> <p>Bill has welcomed the opportunity to "Be Your Own Boss" and has been able to take a look at the business from a fresh perspective.</p>
<p>Win/Win Outcome: Bill Brickhill proudly standing in front of his newly purchased business.</p>	<div data-bbox="406 892 966 1648" data-label="Image"> </div> <p>Interestingly enough, when Bill was interviewed for this case study, it occurred at closing time for the shop and proved his acumen as a multi-tasker...a key character trait of a successful shop owner.</p> <p>A broken door lock had resulted in his need to await the arrival of a locksmith, while the telephone kept ringing with customers and vendors calling after business hours. Since he was there, Bill patiently and politely took all the calls while the interview proceeded, simultaneously turning off work lights and equipment. He is assured and comfortable in his role and the master of his domain.</p> <p>He commented, "It's not that owning a shop is so difficult. It's just that there are so many things to think about and take care of."</p> <p>C.J. has been relieved of the stressful day-to-day responsibilities of the business and can now enjoy more time with his growing family and exploring other options and interests.</p>

And as for me, now it's time to move on to the next project...and I'm looking forward to it.