













Business Overview

RE: Corporate Office Furniture & Space Planning

Specifications

 Price \$3,066,000	 Cash Flow \$1,608,021	 Revenue \$11,917,831
 Equipment \$163,479	 Down Payment 12.5%	 Inventory \$250,000
 Location Kansas City	 Accounts Receivable \$459,281	 Reason for Sale Retirement planning
 Service Area Regionally and nationwide	 Employees 21	 Intangible Assets Outstanding name, repeat clientele and industry contacts



SUMMARY OF THE BUSINESS –

For nearly 30 years, this Kansas City-based corporate office furniture and space planning business has made a name for itself as a “go-to” for aesthetic and functional office design. Offices and a showroom are in a standalone, 18,000-sq. ft. space. While some inventory is kept there, the bulk of over \$250,000 worth of

inventory is housed in the company's separate 30,000-sq. ft. warehouse.

Projects vary in size from \$1,200 to the low to mid 6-figures. Many customers buy on a regular basis, contributing to \$1,000,000-worth of monthly business that the company sees. The business is not set up for consumer retail transactions, and positions itself as a service dealership for corporate companies. Adding a consumer retail division is a growth area to consider

Contracted workers handle delivery and installation of pieces, and the company has warehouse staff for quality assurance. The owner works about 25 hours/week on recruiting and reviewing financials and booked sales. A staff of 21 allows him to take significant time away from the business if desired.

This is an excellent business with an outstanding reputation and repeat clientele. No immediate growth is needed to ensure steady sales and profits, as the company is a well-oiled machine. An ambitious buyer could take the business and expand in any number of ways.

Business Highlights

- Years in Business: Nearly 30
- Location: Kansas City
- Service Area: 60% Kansas City / 40% Other – regionally and nationwide
- Client Industries: Tech/software, legal, corporate insurance, banking/finance, and healthcare/pharmaceutical
- Services: New, used and custom office furniture; space planning; project management
- Building: 18,000-sq. ft. office/showroom, and a separate 30,000-sq. ft. warehouse
- Reason for Selling: Retirement planning
- Employees: 21
- Hours: 8am to 5pm, Monday - Friday
- Seller Training Period: 90 days
- Growth Opportunities: Add a retail office division. Increase used office furniture offerings.
- Current Owner's Responsibilities: 25 hours/week - recruiting, review of financials and booked sales. Seller is able to take significant time away from the business.

Financial Highlights

- List Price: \$3,066,000
- 2017 Gross Sales Annualized: \$11,917,831
- 2016 Gross Sales of \$11,016,757

- 2017 Cash Flow: \$1,608,021
- 2016 Cash Flow of \$653,361
- Assets included in the purchase:
 - Equipment: \$163,479 in computers, software (Giza), equipment, office furniture and warehouse equipment
 - Intangible Assets: Outstanding name, repeat clientele and industry contacts.
 - Inventory: \$250,000+ net in warehouse & showroom inventory.
 - A/R: \$459,281

**amounts may vary*

Cash Flow Analysis

Description of Financial Statement	P&L Statement January - October	Tax Return	Notes
	2017	2016	
GROSS SALES	\$9,931,526	\$11,016,757	
<i>Annualized</i>	<i>\$11,917,831</i>		
Net Income Shown on Financial Statement	\$1,356,259	\$549,920	
ADDBACKS			
Compensation to Owner	\$46,538	\$55,000	
11% Tax on total W2 Salaries	\$5,119	\$6,050	
Interest	\$1,494	\$2,347	Non-onward going expense
Depreciation	\$37,609	\$6,987	Non-cash item
Contributions/Donations	\$32,385	\$0	Non-onward going expense
Meals & Entertainment	\$8,602	\$9,487	Personal expenses run through the business
Auto-Personal Use	\$5,657	\$10,935	Owner's auto expenses run through the business
Non-Business Telephone	\$1,780	\$2,136	1 line at \$178/month
Travel	\$2,013	\$2,814	20% personal travel expenses
Warehouse Expense	\$35,565	\$45,797	2nd whse no long used - not onward going
Warehouse Labor	\$75,000	\$150,000	Will get W2's to prove 3 Laborers no longer needed
Other Income	\$0	\$-110,445	Sale of second company sold in 2016
Sublease	\$0	\$-77,667	Non-onward going expense
TOTAL ADDBACKS	\$251,762	\$103,441	
Seller's Cash Flow = Total Addbacks + Net Income	\$1,608,021	\$653,361	
<i>Annualized</i>	<i>\$1,929,625</i>		
Profit Margin	16.19 %	5.93 %	

- Sales are on track to outpace 2016 by 8%

Clients

Top 5 Client Industries

Jobs are split 60% Kansas City / 40% Elsewhere

- Tech/Software
- Legal
- Corporate Insurance
- Banking/Finance
- Healthcare/Pharmaceutical

Many clients that have Kansas City offices will ask this company to help furnish their locations in other cities. Additionally, many out-of-town jobs are referral based.

Many customers buy on a regular basis.

Company does \$1M worth of business per month.

- Projects can range from small \$1,200 - \$2,600 tickets to low to mid 6-figures.
 - Most projects settle in the lower 6-figure range.
- The company **is not** a bid house, and positions itself as a service-base dealership and does not market itself to the retail sector.
- Bulk of sales comes from open office selections
 - Work stations, desking solutions and seating

Inventory

Over \$250,000 worth of inventory is housed between the showroom and warehouse.

- 30,000-sq. ft. warehouse
 - “tall hat” – can stack inventory
- As the manufacturing industry is now more capable to produce and ship faster, furnishing companies no longer need to keep as much stock
 - The seller likes to work with regional and Midwestern manufacturers for lower cost and for a greener footprint
 - Many American companies that moved factories overseas are trending toward bringing those back to the U.S.
- Business aims to position itself with the inventory volume and resources necessary to meet the needs of any contract furnishing customer
- Additionally, a company needs to have the right inventory volume to maintain manufacturing relationships and manufacturing prices
- Most projects have some customization aspect, and the majority of inventory is ordered for specific client needs
- There is some inventory maintained for emergency needs and impulsive purchases
- Factory stocking programs are utilized – specific numbers of desk units, seating, filing, etc.

- Options are changed frequently to keep flexibility
- Some used inventory is available
 - Most clients that come in for used inventory end up purchasing brand new pieces

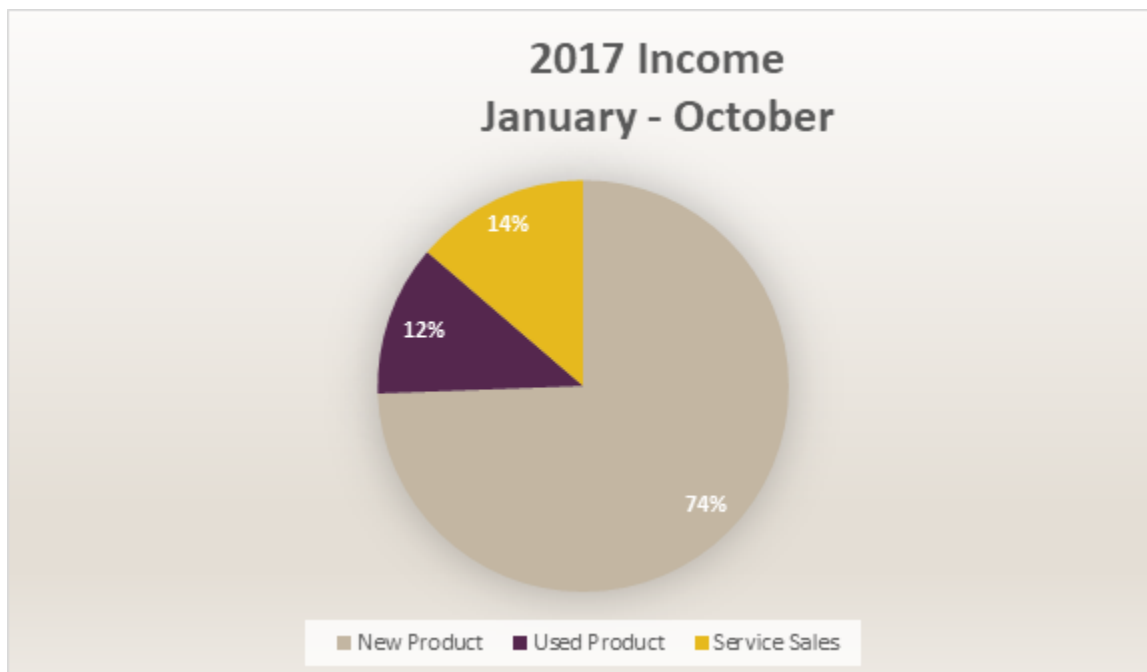
Dealer Brands

- As is typical in the contract furniture industry, this company tries to give 90% of its business to less than 10 manufacturers
- The remainder are utilized for specific needs

Top 10 Brands:

Allsteel	HON
Express Office Furniture	Global
RSI	Humanscale
Enwork	OFS
Gunlocke	Herman Miller

Sales Analysis



- New Product consists of very custom orders to factory stocking program orders. Anything sold that is not in the company's stock is part of the New Product sales line item.
- Service Sales include delivery and installation that is broken out of sales tickets, as well as labor only tickets.

Employee Information

- 10 Sales staff
 - 8 FT, 2 in training
 - Product specifications
 - Space planning
 - Duties sometimes overlap with Project Managers
- Warehouse (5)
 - 1 Warehouse Manager
 - Oversees warehouse staff
 - Handles warehouse product sales
 - Sources used products
 - 1 part-time & 3 full-time warehouse workers
- Delivery & Installation
 - Contract labor sources
 - Largest contractor operates out of warehouse, but does not work for this company
- Full-time Designer
 - Another designer is starting by the end of October
 - Office interior design
 - Space planning
 - AutoCAD
- 3 Project Managers
 - 2 FT, 1 PT working 2 days per week
 - Space planning and design
 - Product specifications
 - Some Sales staff and Project Manager duties cross over
- 2 Office personnel

- General administrative duties
- A/R, A/P

Employees are full-time unless otherwise stated.

Seller works 25 hours per week, handles recruiting and reviews financials and booked sales. Seller is able to take significant time away from the business.

Growth Opportunities

- Add a retail office division
 - The business does not operate for retail transactions, but offering an outlet of sorts for home offices would provide new customer traffic
 - This would capture home office clients looking for high-end pieces that cannot be found in the likes of Staples, etc.
- Increase used office furniture offerings
 - While many clients that come in for used furniture end up purchasing new pieces, this is also a great way to increase the client base
 - The Warehouse Manager has been a good source for finding used furniture

To receive a full financial package and specific information regarding this business:

1. Complete the Qualified Buyer Documents (Non-Disclosure Agreement and Buyer Questionnaire) [on our website](#) or print, scan and return the attachments to info@TheFirmB2B.com
2. Call The Firm Business Brokerage at 402.998.5288 to schedule an appointment or conference call with a Broker.

The Firm currently has over 90 cash flowing businesses available. If you find that this is not a fit for you, please let us know and we would be happy to provide you with other opportunities.

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