

Business Overview

RE: Furniture Dealer with 6M+ in Sales

Strong contracts in place and NO inventory to manage!

Specifications

 Price \$1,775,000	 Revenue \$6,399,583	 Location Kansas City
 Equipment \$22,840	 Account Receivable \$1,608,549	 Reason for Sale Retirement
 Lease \$5,700	 Intangible Assets Great reputation, great results, ongoing contracts	 Employees 8 FT – Sales, Design & Project Management. Installation and delivery is contracted out.



SUMMARY OF THE BUSINESS –

Strong contracts in place and no inventory to manage have allowed this office furniture dealer to steadily grow year after year. Gross sales increased by 32% between 2015 and 2016, and 2017 is expected to stay strong. With an edge in healthcare-based office solutions, the company has furnished many hospitals in Kansas and Missouri. Even so, they are growing in demand for educational organizations and corporate offices.

A successful sales team is in place and has helped the company expand into areas outside of Kansas City.

Utilizing TeamDesign software, sales personnel are able to work in the office or remotely. While the sales team handles much of the design and space planning aspects, there is a full-time Designer on staff to ensure layout and design are accurate and suitable.

Growth exists in increasing Project Management services. The seller has seen an increase in consultations for clients' project managing needs, and continuing to market this service should produce a nice revenue stream. Also, as corporate clients are becoming a larger part of sales, seeking out these customers is another path to consider.

In operation for 13 years, this company continues to grow every year, and has built a great reputation with great results. This is a wonderful chance to take an already successful company to the next level!

Business Highlights

- **Years in Business:** 13
- **Location:** Kansas City
- **Service Area:** 70% in Kansas City / 30% in Northeastern Kansas. Occasionally, some work in rural Missouri healthcare.
- **Client Demographics:** 50% Healthcare-based, 30% Education, 20% Corporate
- **Building:** 4,500-sq. ft. for office space and showroom
- **Reason for Selling:** Retirement
- **Employees:** 8 FT – Sales, Design & Project Management. Installation and delivery is contracted out.
- **Growth Opportunities:** Grow corporate clients. Increase Project Management services/consulting.
- **Current Owner's Responsibilities:** Seller oversees finances and contracts, but DOES NOT design or project manage.

Financial Highlights

- List Price: \$1,775,000
- Gross Sales
 - 2018: \$1,811,451
 - 2017: \$6,399,583
 - 2016: \$5,680,534
 - 2015: \$4,281,324
 - 2014: \$3,645,252
- Owner Profit/Cash Flow
 - 2018: \$214,349

- 2018 Annualized: \$643,047
- 2017: \$547,381
- 2016: \$359,393
- 2015: \$225,448
- YOY Growth Trends: 76% increase from 2014 to 2017!
- Assets included in the purchase:
 - Equipment: \$22,840 – software (AutoCAD, 2020, TeamDesign), furniture, fixtures
 - Intangible Assets: Great reputation, great results, ongoing contracts
 - A/R: \$1,142,810
 - WIP: \$128,125
 - Customer Deposits: \$465,739

**amounts may vary*

2017 Financials

- 2017 Gross Sales - \$6,399,583
- Delivery and Installation are contracted out to manufacturer-approved installers.
- Seller oversees financials, and handles contracts and pricing. The seller does not do any designing or project managing and has a skilled sales staff in place that has helped to grow the company into new markets.

From the Seller:

Today, we have a backlog of \$1.8M. Those are orders in-house waiting for shipment and installation. We have never had a cancellation of any order placed.

We finished 2017 strong, and with the current orders, 2018 will be even better.

Cash Flow Analysis

Description of Financial Statement	P&L Statement Jan-April	Tax Return	Tax Return	Tax Return	Tax Return	Notes
	2018	2017	2016	2015	2014	
GROSS SALES	\$1,811,451	\$6,399,583	\$5,680,534	\$4,281,324	\$3,645,252	
<i>Annualized</i>						
Net Income Shown on Financial Statement	\$196,321	\$498,481	\$155,963	\$36,130	\$53,742	
ADDBACKS						
Compensation to Owner	\$0	\$0	\$176,920	\$137,080	\$200,288	Line Item 10 - Guaranteed Payments
W-2 Salary	\$0	\$10,500	\$5,280	\$22,880	\$0	Owner's W-2 salary
Meals & Entertainment	\$3,740	\$5,736	\$3,647	\$8,423	\$2,502	Personal expenses run through the business
Depreciation	\$381	\$14,105	\$425	\$2,477	\$7,801	Non-cash item
Interest	\$3,291	\$8,018	\$13,058	\$14,358	\$16,090	Non-onward going expense
Contributions/Donations	\$9,250	\$6,441	\$0	\$0	\$0	Non-onward going expense
Cell Phone	\$700	\$2,100	\$2,100	\$2,100	\$2,100	\$175/mo for personal cell phone
Personal Auto	\$666	\$2,000	\$2,000	\$2,000	\$2,000	Mileage reimbursements
TOTAL ADDBACKS	\$18,028	\$48,900	\$203,430	\$189,318	\$230,781	
Seller's Cash Flow = Total Addbacks + Net Income	\$214,349	\$547,381	\$359,393	\$225,448	\$284,523	
<i>Annualized</i>						
Profit Margin	11.83 %	8.55 %	6.33 %	5.27 %	7.81 %	

- Between 2014 and 2017, sales increased by 76%

Products

Desking

- L-Shaped

Workstations

- Panel-based office solutions

Seating

- Corner
 - Executive
- Reception
 - Conference
- Computer
 - Work/task chairs
- Home office
 - Stools

Tables

- Conference
 - Guest chairs
- Multipurpose
 - Lounge

The company purchased product from over 50 manufacturers. Top manufacturers include but are not limited to:

HON National Office Furniture Carolina Gunlocke Workrite Stylex

- 90% of project orders are customized
- It takes between 4 to 8 weeks from order placement to delivery. As most orders have customized aspects, the manufacturers make the products to order.
 - Due to this, the seller does not keep inventory in stock
 - There is showroom space with product samples. These are provided by the manufacturers at minimal cost to the company, either at 50 – 60% off or through funding.
 - For 2017 the showroom expense has been \$7,688
 - Every 2 to 3 years, the showroom has a major refresh with the workstations torn down, and the layout redesigned and redone

Software

- AutoCAD
- 2020
- TeamDesign

AutoCAD and 2020 are used by the Project Manager, the Designer and Sales staff to help in space planning.

All employees utilize TeamDesign, which tracks projects from proposal through to billing. TeamDesign also allows for remote working as needed.

Clients

The majority of clients are in the Kansas City metro area. However, due to the company's contracts, about 30% of jobs occur in northeastern Kansas outside of the metro. Jobs also take place in some rural Missouri communities, most of these involving healthcare organizations.

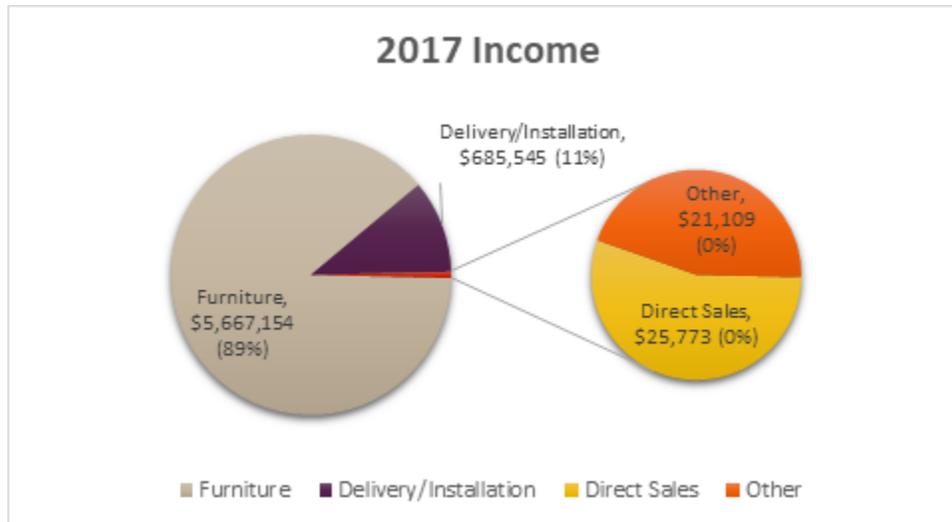
Top Client Industries:

- Healthcare – 50% of income
 - Assisted living
 - Hospice
 - Medical offices
 - Hospitals
- Education – 30% of income
 - K - 12
 - Higher education
- Corporate – 20% of income
 - Systems furniture needs
 - Growing need for smaller to mid-size companies (great growth opportunity)

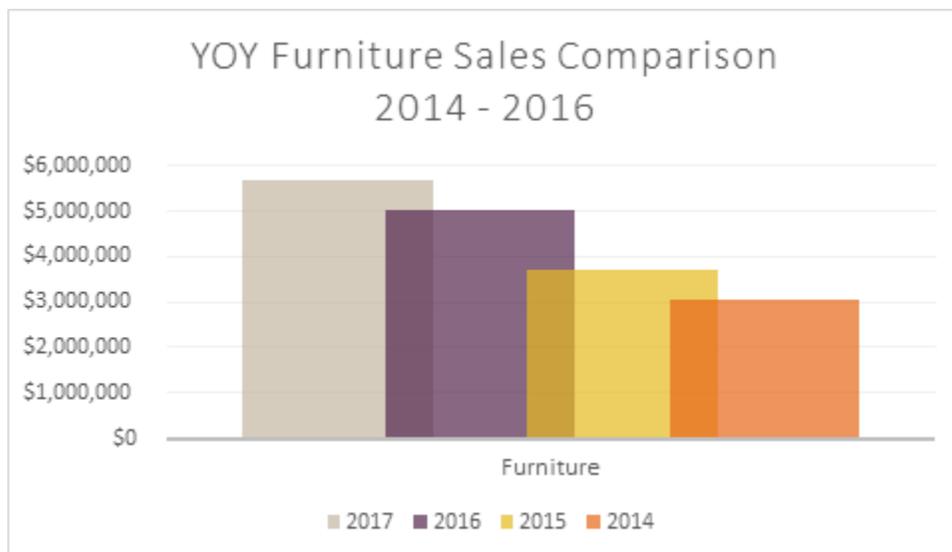
A smaller portion of income comes from GSA. Many of the company's vendors are on a GSA schedule, but GSA contracts tend to be sporadic.

Company has good contracts with large organizations.

Sales Analysis



- Furniture sales are 89% of income
- Delivery and installation are contracted out, but still contribute 11% to sales
- While Design and Project Management fees are a fraction of income, the seller expects to see that rise to between \$17,000 - \$20,000 within the next year
 - That would be between 280% and 349% increase from where those fees sit as of August 2017
 - This is growing in interest and demand with clients and should prove to be a great area for growth



- Sales have increased by 56% between 2014 and 2016
- 2017 was \$5,666,744– 13% above gross sales in 2016

Employee Information

There is a total of 8 on staff, all full-time.

- Sales (6)
 - 4 in Sales with 2 in Sales Support
 - 1 of the Sales personnel works remotely and has developed the company's presence in northeastern Kansas outside of the Kansas City metro
 - Sales team members (and all employees) work with TeamDesign software, enabling them to work remotely if needed
- 1 Project Manager
 - Space planning and design
 - Product specifications
 - Some clients seek out the Project Manager to assist them in design without purchasing furniture from the company
 - A fee is charged to the client for consultation, and this is projected to gross nearly \$20,000 within the next year
- 1 Designer
 - Office interior design and space planning
 - Ensures specifications and layouts are accurate and feasible
 - Like the Project Manager, some clients require design help without necessarily purchasing product from the company
 - This could be an area of growth by charging clients consultative fees

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.

The Firm makes no warranties or representation in consideration to the information provided above. All communication regarding this business must occur directly with The Firm Brokerage, LLC.