

Thirty-plus years of business experience has taught Ed Katz that if you ever intend to sell your business, you have to maintain it in saleable condition by building value.

When Katz moved to Atlanta in 1974 to lease commercial real estate, he began to see a need for a moving company that specialized in office relocation. Capitalizing on the opportunity, he founded Peachtree Movers in 1976.

By 1996, the company he started with \$25,000 in borrowed capital generated revenues in excess of \$3.5 million. That same year, the National Moving and Storage Association tapped Peachtree Movers as "Number 1" office mover in North America. In 1997, the *Wall Street Journal* featured both his company and his moving techniques.

Katz built value by maintaining Peachtree Movers in saleable condition. When ready to sell in 2000, he sought out a Certified Business Intermediary to find a buyer for his company. Despite the typical fallout that occurred during due diligence, the intermediary calmly and skillfully helped everyone focus on closing the deal.



Ed Katz

Building Value

What's your business worth?

Ax-grinder and the EEOC didn't win this one

Part of building value ensures a law suit doesn't award hard-earned assets to a disgruntled employee. After promoting a qualified man to supervisor, an unqualified woman cried foul to the U.S. Equal Employment Opportunity Commission (EEOC).

We needed someone who demonstrated leadership, communicated well, drove a moving van, and could load it with furniture. The man qualified. In my way of thinking, this particular woman couldn't be considered because she didn't know how to drive. The EEOC didn't see it quite that way. Their mission ensures workers the freedom to compete on a level playing field and provides for damages when they can prove intentional employment discrimination.

Did we offer her a career path, teach her how to lead, how to communicate effectively, or how to load a moving van? Did we offer to teach her to drive and then assist her in getting a license? We were forced to defend ourselves. They wanted to see all written qualifications for the supervisor position and a list of current supervisor's qualifications.

Two weeks later, my female employee alleged that we retaliated by cutting back her hours. We'd hit a slow period and everyone's hours had been cut, but the EEOC wanted to examine payroll records to verify our claim that such fluctuations were typical. We won but through their automatic appeals process, the local EEOC office sent the case to Washington, D.C. Three weeks later they notified us that we had won that, too.

Being wrongly accused cost us \$12,000, while our female employee gambled nothing by bringing charges; she incurred neither a monetary cost for mounting a witch hunt backed by the full force of the United States Government, nor was she required to reimburse us for our expenses. That's the system.

Long before any of this took place, our attorneys made sure we documented job qualifications and that we handled other important personnel records properly. Thanks to them, we could produce the records demanded by the EEOC and prove our case. Had we not sought legal guidance prior to being accused, the price of losing this case could have meant closing our doors.

Building value takes in a lot of territory, but it's all about having something a buyer wants when you're ready to sell. Smart buyers ask about EEOC violations. Ask your attorney to go over personnel procedures before a disgruntled employee sics the EEOC on you. □