



BIZCOMPS User Guide

BIZCOMPS®

USER GUIDE

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Author's Biography

Jack R. Sanders is the Managing Director of **Spectrum Corporate Resources, LLC**, a marketing firm specializing in middle-market mergers and acquisitions. He was promoted to President/Manager in 2001 and purchased the company in 2003. He is also President of Corporate M&A Advisors, Inc. and MidMarket Corporate Services, Inc. He has been an active full-time business intermediary since 1985. He has personally handled over 130 business transfers and has appraised over 2,450 businesses. His focus has been on manufacturing, wholesale/distribution, and business to business service businesses.

Mr. Sanders spent 15 years with Page Olson Commercial Brokerage in San Diego, California as a Broker Associate. He developed the capability of providing Certified Business Valuations for business owners and other authorities needing to place a value on the intangible assets of a business without an anticipated sale.

Mr. Sanders is also the author of the "BIZCOMPS[®]" studies, a leading authority on the market value of small and medium-sized businesses in the United States and Canada. The studies contain actual transaction information on over 31,000 transactions and are marketed in electronic form. He frequently gives presentations at professional seminars and conferences.

Mr. Sanders is a Certified Business Appraiser, a Certified Valuation Analyst, and a Certified Business Intermediary; a member of the Association for Corporate Growth, the Institute of Business Appraisers, the National Association of Certified Valuation Analysts, and the M&A Source. He is a FINRA Registered Investment Banker holding Series 79 and 63 designations. He is a past member of the Board of Directors of the International Business Brokers Association. He has both Bachelors and Masters degrees in Business Administration.

Introduction

*"It is tough to make predictions, especially about the future!"
–Yogi Berra*

The BIZCOMPS® studies of small business sales were initiated in 1990 to investigate and report financial information about small business transactions in the marketplace. Historically, market data on small business transfers has been virtually nonexistent, leaving the investor or advisor to speculate about the fair market value of the enterprise. The BIZCOMPS® studies remove the marketplace uncertainty and provide the reader with detailed, meaningful financial information about these "real world" transactions. Since its inception, BIZCOMPS® has accumulated and reported data on over 31,000 transactions in the United States.

Small business transaction information is not readily available because it is not required to be publicly reported. In the absence of reliable data, investors, appraisers, and brokers have attempted to develop universal valuation formulae or "rules of thumb" to set guidelines for appraising small businesses. These generalized "formula" approaches are chastised in most valuation literature and are a poor substitute for comparable sale data. A careful analysis of the BIZCOMPS® database provides market-based comparable sales information and eliminates the need to rely on rule-of-thumb formulas.

The BIZCOMPS® studies are an invaluable resource to the investor or advisor to small business transactions. The studies contain detailed information on over 15,195 transactions from January 2010 through December 2022. The 15,195 business transactions had asking prices totaling \$8,712,710,000 and actually sold for a total of \$7,418,229,000 or an average of \$488,202 per business. These statistics also suggest that on an overall average, the 15,195 transactions were discounted 17.4% during the actual sale of those businesses. This discount is 5.1% less than pre-pandemic studies.

The information is segmented in many more ways to make it more useful to the reader.

The Studies

*“Statistical figures referring to economic events are historical data.
They tell us what happened in a non-repeating historical case.”
–Ludwig Edgar von Mises*

The objective of BIZCOMPS® is to accumulate reliable comparable business sale information for entrepreneurs, investors, and advisors trying to estimate the fair market value of small businesses. The study is geographically limited to the United States and Canada to provide reliable, comparative data that is regionally discriminated. Since business values are affected by external economic forces, it is important to compile sales data by region.

The BIZCOMPS® studies collect and report the most relevant financial information available on small business transactions in the United States. Because the information is not required to be publicly reported, BIZCOMPS® obtains its financial information from business brokers and transaction intermediaries. These financial consultants are considered to be reliable and disinterested, and their valuable input provides the basis of the BIZCOMPS® studies.

Note that all included businesses were reported by business brokers and, of course, actually were sold. This fact may establish some financial parameters for "sale ability" by a business broker. Specifically, the ultimate sale price of a business sold should be from 30% to 100% of gross revenues and from 1.5 to 3.5 times Seller's Discretionary Earnings. This generalization would exclude service stations and travel agencies.

BIZCOMPS® philosophy is to present as much information as possible so that the user can selectively analyze the data based on individual need. For that reason, all sales are shown as asset transactions and do not include cash, accounts receivable, real estate, accounts payable, or any other liabilities. Inventory has also been excluded, but the actual amount of inventory at the time of sale is shown for each business sale.

Types of Financial Information Reported

*“Statistics are like a bikini.
What they reveal is suggestive, but what they conceal is vital.”
–Unknown*

For each business transaction surveyed, the BIZCOMPS® 2023 study reports a number of items of financial and other data. Specifically, the survey includes the type of business, the SIC code number, the date of sale, and the location of the business. The survey includes the asking price, the sale price, and the terms of sale. Financially, the surveyed information includes the annual gross revenue, the Seller's Discretionary Earnings (SDE), the amount of inventory, the amount of furniture, fixtures, and equipment, and the rent as a percent of sales. Of course, the sale price of the business is included and, from it, the sale price as a percent of gross revenue ("Gross Revenue Multiple"), and the sale price as a multiple of the Seller's Discretionary Earnings ("SDE Multiple") can be calculated.

In a survey of this type, all of this information is important to the user and must be presented in detail for the survey to be significant. The author believes that the user must have access to all of this data, in a fully published form, to be able to meaningfully analyze the information.

The transaction data is also analyzed by terms of sale, specifically businesses that sold for cash. In this study, 5,439 of the total businesses were sold for cash. Of the 2010–2022 transactions, 36% were all cash sales. It should be noted that BIZCOMPS® cannot determine which cash transactions were marketed as "cash only" sales, or were converted to a cash sale at some point during the transaction. In general, business brokers will do everything possible to avoid marketing a business as an all cash sale. Requiring an all cash transaction has a very negative effect on the buyer's perception of the business of the business.

And last, the data is sorted by size. The transactions under \$100,000 definitely indicate that the owner's remuneration is the major factor in the sale of very small businesses. Transactions over \$500,000 definitely begin to indicate a size premium. These larger businesses tend to have more management and are less dependent on the individual effort of the owner. The BIZCOMPS® transaction data contains 2,888 out of 15,195 businesses that were sold in excess of \$500,000. There were 1,146 transactions over \$1,000,000.

These ratios confirm what would be logically be suspected—larger businesses are more profitable, pay less rent, and sell for much more (by ratio) than small businesses. The purchase of a smaller business is more like buying a job with Seller's Discretionary Earnings ratios that rarely exceed 1.5 times SDE.

The Source of Data

*“Statistics are no substitute for judgment.”
–Henry Clay*

The transaction data contained in the BIZCOMPS® database is submitted on a voluntary basis by various Business Intermediaries. Those that indicate they would like to participate in the BIZCOMPS® program are considered on a case-by-case basis. If the transaction data is deemed reliable, it is accepted. However, over 90% of the BIZCOMPS® transaction data is still supplied by brokers with a certification, affiliated with a business broker association or franchise.

The BIZCOMPS® contributor’s program is that the contributor is rewarded with a one year’s free access to BIZCOMPS® online for every five (5) usable transactions they submit. Unfortunately, it seldom works exactly that way. Business intermediaries, by the nature of their profession, have wildly fluctuating transaction volumes. Sometimes they have just three or four transactions to report; sometimes they have 15 or 20. In any event, BIZCOMPS® will work with them. And of course, not every intermediary can take or has the time to report the data. It is a frustrating process. Transaction reports can be submitted on line through the bizcomps.com website. This method is paperless and does not rely on the USPS. Several contributors have a policy of submitting throughout the year every time they close a deal. A folder is created for each submitter and the data is retained there until ready for entry.

BIZCOMPS® goal has never been to have the largest amount of transaction data—only the most current and reliable possible. To achieve this goal, the databases are currently updated and purged of 11-year-old data once every third year.

As of December 3, 2022 here is the current age of transaction data in BIZCOMPS®:

2022	64
2021	1,379
2020	956
2019	1,121
2018	1,106
2017	2,114
2016	1,263
2015	1,131
2014	1,305
2013	1,113
2012	1,182
2011	1,024
2010	1,119

What Actually Sold

*“Capitalism is the only system in the world founded on credit & character.”
–Hubert Eaton*

Only two elements are contained in either the BIZCOMPS® Asking Price or the Sale Price. The items are Fixtures & Equipment (FF&E) and Goodwill—or the intangible value. Cash, accounts receivable, loans receivable, real estate, and other assets are not included, and all liabilities have been excluded. This is nothing magical—just simply the way these businesses are sold. They are all asset sales or have been converted to an asset sale.

The sellers of these businesses rarely are willing to part with the cash and accounts receivable and the buyers are rarely willing to pay for it. And the businesses are considered to be debt-free at close even if there are new loans coming on board from the seller or others. Sellers usually are responsible for paying off all debt at the close of sale.

Again, real estate used by the business is not included. Small businesses almost always lease the premises they occupy. Leasing is a far better use of capital, at least in the early stages of a business' life. Somewhere less than six percent of the transactions reported involve real estate. The value of the real estate is subtracted from the enterprise value.

Age of Data

*“Age is what makes furniture worth more and people worth less.”
–Unknown*

Much has been written about the need to have current, relevant transaction data. Ideally, there should be enough recent data available to meet these criteria. In fact, due to the difficulty involved in obtaining reliable data, particularly in the more unusual or unique business categories, this is often not the case. The analyst is left with a decision to go with limited data or to use older data that the bases contain. The BIZCOMPS® studies contain the last 11 years' transactions, and routinely purge older data by moving it to an additional database. This over 11-year-old data is available for special assignments such as divorces when one of the parties owned a business prior to marriage.

Recently, the author compared current study data with the data over 11 years old. First, the Gross Sales to Sales Price ratio was compared. In the current National Database, that ratio was available in 14,289 out of 14,344 transactions. The arithmetic mean of this ratio was .43, while the median was .44. A similar analysis of 10,588 transactions out of 10,700 transactions older than ten years was made. The arithmetic mean was .34 and the median was .40.

The same analysis was made of the Seller's Discretionary Earnings (SDE) to Sale Price ratio. The arithmetic mean for the current study was 2.2, while the median was 1.9. In the over 10-year-old data, the arithmetic mean was 2.3 and the median was 1.8. (In this analysis, no ratios were considered over 6.0 times SDE and no negative ratios)

This helps to confirm what many have already expressed—that over time, there is very little difference in the ratios, particularly, the more important Seller's Discretionary Earnings to Sale Price ratio. These ratios tend to stay consistent, while the earnings they are based upon change, thus causing an ultimate variation in sale price.

I should add that there seems to be a limit to how old the data can be. Even though the ratios appear to be reliable, the use of data significantly older than the date of analysis seems to lack credibility.

Searching the Database

*"Facts do not cease to exist because they are ignored."
–Aldous Huxley*

There are several techniques that are useful when searching the BIZCOMPS® database. First, in the electronic formats, the analyst can make a five to ten level search for any field in a transaction record. There are 20 searchable fields of information in each record.

Most analysts start with either an SIC (Standard Industry Code) or a NAICS (National American Industry Classification System) search and then attempt to pare down the number of transactions. If little or no data appears with the first search, the author suggests a word search. Due to confusion with the numbering systems or possibly a business with several industry codes, it may be improperly classified.

It is best to make the word search as simple as possible to assure the greatest number of hits. If possible, use unique words or syllables. For broader categories, abbreviations help. The abbreviations used in BIZCOMPS® are:

Contr = Contractor
Deli = Delicatessen
Distr = Distributor
Mfg = Manufacturer
Restr = Restaurant
Retail = Retail
Whsle = Wholesale

Once you have located transactions, check the SIC code and make another search for the SIC to see if other transactions turn up. Once the analyst has exhausted search possibilities, the transactions can be hand selected or discarded.

The hard copy studies do not permit mechanical searches but the author has provided printouts of the major categories (Manufacturing, Wholesale/Distribution, Food Service, Retail, and Service Businesses) and has also provided printouts of any group of businesses with five or more in the same category.

These printouts have the percentage the business sold for as compared to the Asking Price, and the arithmetic mean and medians of both the important ratios.

Comparing the Data

*"Facts are stubborn, but statistics are more pliable."
–Unknown*

The BIZCOMPS® transaction data provides an excellent opportunity to compare or discriminate between the transactions. There are currently five primary areas for comparison and five secondary areas. The primary areas are:

- ▶ By SIC or NAICS codes
- ▶ By Description of Business
- ▶ By Amount of Revenue
- ▶ By Profitability
- ▶ By Percent Rent Paid

The five secondary areas for comparison are:

- ▶ By Down Payment & Terms
- ▶ By Size of Inventory
- ▶ By Days on Market
- ▶ By Number of Employees
- ▶ By Location

Additionally, an estimate of the value of Fixtures and Equipment and franchise information is given. These fields of information may provide additional input about the transactions being analyzed.

Visual observation of these 12 factors can provide considerable insight into these transactions and their relationship to each other.

Basic Statistics

*“Statistics are like witnesses—they will testify for either side.”
—Unknown*

We live in a world of rapidly growing collections of data. Information is being amassed and communicated on an even wider range of human activities and interests. Even if supported by a computer database, a calculator, or a statistical package, it is hard for the "average person" to gain a clear sense of what this information might be telling them. A crucial human skill is to be selective about the data we choose to analyze and, where possible, to summarize the information as briefly and usefully as possible. In practice, the two most useful questions are, *what is a typical, or average value?* And, *how widely spread are the figures?*

While this is not an extensive, exhaustive discussion of statistics, we will attempt to discuss two items—the average and the spread. First, a sensible strategy is to find some typical or middle value which may be taken as being representative of the rest. This is the average or "arithmetic mean," and is simply the sum of the ratios divided by the number of ratios.

The second is the "median," which is the total of the two most central ratios divided by two. This is easily performed even with a large number of ratios by a computer simply by sorting and then finding the middle ratio.

The third method is to find the ratio that occurs the most, or the "mode."

It is important to compare the arithmetic mean with the median to get an idea of how normal the relationship is. If they are quite always apart, it suggests that outliers are skewing the data and the analysis requires closer examination. In the author's experience, the outliers are mostly on the higher side, meaning some transactions sold at much higher multiples. It rarely is the other way around.

Once we have developed the above methods, the next step is to determine how widespread the ratios are. Since people increasingly are performing statistics with the aid of calculator or suitable computer software such as Excel or others, our effort here will be to focus less on mind-numbing arithmetic and more on the principles on which they are based.

The most elementary measure of variation is "range." Range is defined as the difference between the largest and the smallest values. "Deviation" is defined as the distance of measurement away from the mean. "Variance" is defined as the sum of the squared deviations of n measurements from their mean divided by $(n-1)$.

Basic Statistics [cont.]

Standard deviation is defined as the positive square root of the variance. The practical significance of the standard deviation is that with mound-shaped (bell-shaped) distribution, the following rules apply:

1. The interval from one standard deviation below the mean to one standard deviation above the mean contains approximately 68% of the ratios.
2. The interval from two standard deviations below the mean to two standard deviations above the mean contains nearly 95% of the ratios.
3. The interval from three standard deviations below the mean to three standard deviations above the mean contains approximately all of the ratios.

These mound-shaped curves are usually called normal distributions or normal curves.

A shortcut method of calculating variance and standard deviation requires two quantities: sum of the values and sum of the squares of the measures.

Σx = sum of the values

Σx^2 = sum of the squares of measures

Guessing the standard deviation—to avoid tedious calculations—you can quickly obtain an estimate of the standard deviation by using the formula:

$$s = r/4$$

which reads "the standard deviation is approximately equal to the range (the difference between the lowest and highest values) divided by 4." This is a crude, simplistic calculation without great accuracy. It will still give an estimate of the standard deviation. A much more precise method is to calculate the standard deviation for a range of numbers with a calculator or computer and divide the standard deviation by the arithmetic mean. The result will give the Coefficient of Variation. A result of .30 or less indicates a tighter grouping of data that may be acceptable for comparable purposes.

Converting a BIZCOMPS® Asset Sale to Equity Value

*“A good example has twice the value of good advice”
–Unknown*

All transactions in the BIZCOMPS® database were either asset sales or were converted to an asset sale, meaning that the only assets that sold were Fixtures & Equipment and Goodwill.

To convert this value to an equity interest of an owner or seller of a business requires a couple of steps. First, add all short and long-term assets to the BIZCOMPS® value, less the value of the Fixtures & Equipment. The Fixtures and Equipment employed in the business have already been included in the various transactions in the BIZCOMPS® database.

The second step is to subtract all liabilities (the business is considered to be debt-free at the time of sale).

Using Discounts with the BIZCOMPS® Transaction Data

The question has come up about using Minority or Marketability Discounts with BIZCOMPS® transaction data. The Minority Discount is the easiest to discuss so we will start there. All the transactions in the BIZCOMPS® database were 100% sales operated by one working owner. If there were one or more partners in the business, the sale was converted to a 100% interest sale, with all discretionary compensation (SDE) going to one working owner. The practitioner can still apply a minority discount to the entire appraised enterprise value if his or her assignment warrants the discount.

The Marketability Discount is a little more complex. The average transaction in the BIZCOMPS® database took 220 days to sell, with a median of 180 days. No additional accounting of the days required to sell is made. More importantly, all transactions in the BIZCOMPS® database were reported by Business Brokers or Intermediaries. All those professionals were paid a commission, and the majority were paid a commission of Ten Percent (10%) of the sales price.

If the BIZCOMPS® Transaction Data were used in conjunction with the Market Approach, there are usually other methods of developing value, and the Market Approach is often used as more of a sanity check than a primary method. In some situations, no other methods are available due to unreliable records and other problems. In that case, the Market Approach may become a Primary Method. As above, if the assignment warrants, the practitioner can still apply a Marketability Discount to the overall enterprise value.

There are differing opinions in the business valuation community about applying a Marketability Discount in the case of small businesses. Some feel that the Ten Percent commission paid to the Broker/Intermediary is sufficient, and consider the time required to sell a small business is normal. Others still see the need for a Marketability Discount due to the fact that the enterprise value cannot be converted to cash in three working days, as in the case of other types of investments. The practitioner needs to make a decision as to what discounts to apply or not apply.

Seller's Discretionary Earnings

*"I don't want to do business with those that don't make a profit,
because they can't give good advice."
–Lee Bristol*

The reasons we use Seller's Discretionary Earnings (SDE) (formerly Seller's Discretionary Cash Flow) are several. It is a level of earnings Certified Business Intermediaries are familiar with. For years they have used Adjusted Net Profit, then Seller's Discretionary Cash Flow, and now Seller's Discretionary Earnings. All have exactly the same definition. Seller's Discretionary Earnings allows the comparison of earnings from several different types of entities, i.e. Corporations, Partnerships, Sole Proprietors, Limited Liability Companies, Sub-Chapter "S" Corporations, etc.

SDE is calculated by adding to the most recent full year's Net Income Before Taxes (NIBT): Amortization, Depreciation, Interest, Owner's compensation, Owner's benefits, Non-business related expenses, and one-time only expenses.

If there is more than one working owner, the broker will normalize the lower paid worker(s), with the balance added back to SDE. The concept is that the buyer should be able to replace the higher paid seller himself/herself and hire someone to replace the lower paid owner(s).

Inventories

The exclusion of inventory from the financial averages requires further discussion. In business sale transactions, inventory transfers at the date of closing based on the wholesale cost of "good" inventory existing at that date. Since the amount of inventory can vary so significantly from business to business, BIZCOMPS® believes that the financial ratios of the selling price of a small business should exclude this relatively volatile asset. Also, there may be external reasons to manipulate the amount of inventory at the time of closing that, if included, would distort the selling price of the business. If it could be assumed that the "optimal" level of inventory was included in every business sale transaction, or that the aggregate statistics would produce the optimal level of inventory, then inventory could be meaningfully included. The author does not believe this is a safe assumption, and therefore inventory is excluded from the statistical averages.

The best example of excessive inventory was a small manufacturing concern the author sold several years ago. The business was founded by a retired sheet metal contractor who saw a need for a commercial roof drain that would not rust when standing water accumulated on its surface. He manufactured his roof drains from copper sheet. In fact, to get the best prices, he would carefully follow the commodity price for copper and when the price was low enough, he would purchase an entire railroad carload of copper sheet. This quantity (\$200,000) was a little over two years' supply. He would store the copper in a warehouse near the railroad siding and draw from that supply as he needed to. He had just purchased a new carload when for health reasons, he decided to put his business on the market.

We were fortunate to find a buyer (a general contractor whose industry was down) and negotiate a quick sale. The buyer quickly realized the market value of the copper sheet and agreed to buy this business plus two years' worth of inventory. If you look at the sale price for this transaction in the BIZCOMPS® database, you will find it at \$245,000 plus \$200,000 worth of inventory. In a database that includes inventory, the sale price will be listed at \$445,000, each with the same Seller's Discretionary Earnings (SDE) of \$142,000.

The author of BIZCOMPS® believes the best policy is for the analyst to add his or her client's inventory value to the sale price, thus customizing the value for his or her client's particular situation.

Fixtures, Furniture, and Equipment

The estimate of the value of the fixtures, furniture, and equipment (FF&E) is the least verifiable field of information in the BIZCOMPS[®] transaction data. They (the FF&E) are never separately sold and only rarely independently valued. They are simply a part of an assemblage of assets that are employed to generate income, hence, hopefully profit. That profit will eventually be a part of a basis for the sale price of a business. Given that qualification, the FF&E value is still helpful when determining the degree of Fixture and Equipment newness.

Keep in mind that the FF&E estimate may have been made by any one of a number of parties to the transaction. It may be the seller's estimate, new value, book value, replacement value or, hopefully, the estimate of an experienced intermediary familiar with this type of business. In any event, this estimate should be used with caution.

Percent Rent Paid

The last comparison is by rent paid as a percent of Gross Sales. This important indicator has a lot to do with the profitability, hence, the desirability of each individual business. For instance, liquor stores, because of their competitive nature, are particularly sensitive to rent. In general, only exceptional businesses can afford to pay rent that is more than 10% of Gross Sales. Liquor stores should pay rent equal to 5 or 6% of Gross Sales. If a mature business has a rent expense greater than 10% of gross sales, it is usually a less profitable business. For this study, contributors supplied rent information on 50% of the business sales reported. Hopefully, that ratio will continue to improve in upcoming studies.

Real Estate

*“Few rich men own their property. The property owns them.”
–Robert G. Ingersoll*

Small business owners seldom own the real estate their business occupies. In the current BIZCOMPS® database, less than six (6) percent of the businesses owned real estate in some fashion. In many cases, the real estate was owned personally but sold along with the occupying business. Rent is often paid by the business to the owners of the property. In any event, the value of the property has been removed from the value of the business. And, no attempt has been made to impute a market rate rent.

Most business owners realize that the best use of any extra funds they might have to invest in the businesses' property is better used to grow the business. Also, leasing the premises leaves the business in a much better position to move as growth dictates without the worry of disposing of the property.

Also, there are some business owners that have had bad experiences with landlords and simply want to control their own destiny. Other more mature businesses have gone past the need for growth capital and want to diversify. In any case, they are in the minority.

Days on Market

This important statistic tells the analyst a great deal about the desirability of the business sold and the available pool of potential buyers.

The author analyzed 4,294 out of 14,344 transactions and discovered that the average number of days on market was 220 days, with a median of 180 days.

Once the analyst has selected a sample set of data, careful consideration should be given to the length of time required to sell each transaction. Transactions requiring longer than the average or median time to sell should be viewed with suspicion.

BIZCOMPS® has been capturing data on the sale of franchised businesses for about ten years. At this point only 676 out of 14,344, or about 4.7% of businesses reported, have been described as franchises. Part of the reason for the low reported number is that business brokers generally do not add much premium for their sale.

Franchises are a major component of the America Dream. For an individual new to the business world, the franchise concept is alluring. You know that your franchisor's concept is already well accepted. You expect territorial protection, training, cooperative advertising, and ongoing support.

The question for the analyst is, *should a premium be placed on the sale of a franchised business?* i.e. the subject business is a non-franchise and the comparative transactions are all franchises—*should the franchise premium be deducted for more accurate comparison?* Or, as is more often the case, if the subject business is a franchise, *should a premium be added to the non-franchise transaction data?*

There clearly is a premium attached to a recognized franchise such as McDonald's or Stanley Steemer. However, that premium can swing the other way. A few years back, the Jack-in-the-Box hamburger chain had several incidences of meat contamination that led to several cases of severe illness and at least one death. The franchises were almost unsaleable at that time, as well as suffering from decreased sales.

Also, Robert L. Purvin, Jr., author of *Franchise Fraud*, contends that many of the benefits of a franchise are an illusion—particularly, a widespread claim by the industry that 95% of all franchisees are still in business after five years, compared to a reported 60% failure rate for non-franchised businesses. This claim is quite misleading, as the franchise industry only counts closed stores, not those returned or taken back by the franchisor and eventually resold to another party, a practice that is quite common in the franchise industry.

The author cites one franchise that was resold seven times before eventually closing, and never once reported as a failure to the Department of Commerce. The author also cites many other ways that the franchisor fails to follow through on franchise promises.

While a premium value in a McDonald's restaurant certainly does exist, the analyst should carefully look at any lesser known franchises with skepticism. As the BIZCOMPS® database records more franchise transactions, the opportunity to compare franchise and non-franchise transactions should appear.

While, it is obvious that the franchise trend is not a fad and will not soon disappear, it is equally obvious that not every franchise will become a McDonald's. And, even with heavy regulation, the new-to-business buyer is easy prey for a marginal franchise.

Number of Employees

The "Number of Employees" field of information in a transaction record can be very useful to the analyst, along with other fields in the record. It gives insight into the scope and size of the business, and also, an idea as to how the business is operated. For instance, a business with all part-time employees would indicate an owner who works himself or herself and only hires part-time help. A transaction with no part-time help could indicate the opposite.

Also, a business with a number of employees could indicate a riskier enterprise.

Other Databases

There are two other small business databases available. Each has its own unique attributes. I will list them in alphabetical order:

1. *DealStats* (formerly Pratt's Stats), at the BVRResources website, started in 1997 and now has private and public transactions ranging from under \$1.0 million to \$1.0 billion in sale price. The transactions cover 891 SIC codes and contain 202 different fields of information, including a complete income statement and a balance sheet.

For more information contact (503) 479-8200 or www.BVRResources.com.

2. The *ValuSource Market Comps* (formerly the IBA database) which is now over 35 years old, has 49,000 transactions in more than 800 SIC codes. The database contains fields such as annual sales, earnings, sale price, locations, and the date of sale.

For more information contact ValuSource at 800.825.8763 or www.valusource.com.

BVRResources.com - about Bizcomps

BIZCOMPS, a comprehensive online database, is the most thorough and accurate resource for financial details on "Main Street" private companies. This must-have tool includes 15,165+ deals across more than 550 industries and removes marketplace uncertainty with access to meaningful financial information.

Designed for accountants, business appraisers, and business intermediaries, it is the most trusted source for small company comparables. The new BIZCOMPS Analyzer, included with a subscription, bolsters a user's confidence in subject company research like never before. This unique, Excel-based tool greatly improves a user's ability to select and deselect transactions, complete a detailed analysis, and export custom worksheets to a new Excel workbook.

Additional Product Details

Use the most trusted source for "Main Street" private company transaction data.

- Support your valuation conclusion with empirical evidence from 21 data fields on 15,165+ transactions, including two valuation multiples
- Bolster your research with the BIZCOMPS Analyzer, an Excel-based tool that computes valuable statistics and ratios from your comparable company group
- Search by keyword, NAICS or SIC code, revenue, or sale date and pinpoint the small company comparable data you need – the majority of BIZCOMPS transactions record less than \$500,000 in gross revenue
- Track historic and current valuation multiple trends with detailed charts and graphs and get a detailed transaction report with transaction data, income data, asset data, operating ratios, and valuation multiples
- Receive the *BIZCOMPS/BVR Deal Review*, a PDF publication that summarizes and analyzes general trends, valuation multiples, and operating ratios for transactions in the BIZCOMPS database

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Definitions

SIC =	Small Business Industry Classification Number (Standard Industrial Classification)
NAICS =	North American Industry Classification System
BUS TYPE =	Best Description of Subject Business
ASK PRICE =	Asking Price (000's) <i>Does not include inventory</i>
ANN GROSS =	Annual Gross Sales (Normally Net of State Sales Tax).
SDE =	Seller's Discretionary Earnings (Net Profit Before Taxes and any compensation to owner plus Amortization, Depreciation, Interest, Other Non-Cash Expense and Non-Business Related Expense) <i>SDE Assumes One Working Owner</i>
SDE/GROSS SALES =	Seller's Discretionary Earnings Divided by Gross Sales
SALE DATE =	Actual Date of Sale
SALE PRICE =	Actual Sale Price (in 000's) <i>Inventory has been deducted if it was in Sale Price</i>
% DOWN =	Down Payment as a Percent of Sale Price
TERMS =	Terms of New or Assumed Encumbrance
SALE/GROSS =	Sale Price Divided by Gross Sales
SALE/SDE =	Sale Price Divided by Seller's Discretionary Earnings
INV =	Inventory at the Time of Sale (in 000's) <i>Inventory is not included in Sale Price</i>
FF&E =	Estimate of Value of Furniture, Fixtures & Equipment
RENT/SALES =	Rent as a Percent of Sales
DAYS ON MKT =	Actual Number of Days Business Was on Market
FRANCHISE ROYALTY =	Actual Royalty Less Advertising Percentage
AREA =	Region or Geographical Location of Business

Sample Transaction Report

BUSINESS TYPE	ASKING PRICE	ANN REV	S D E	SALES DATE	SALE PRCE	% DOWN	TERMS	SP/ REV	SDE/ REV	SP/ SDE	INV	FFE	RENT %	LOCATION	AREA
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Selected Records View – Contrs Heating Air Conditioning

Contr-Heating&AC	1,200	1,209	275	8/29/03	1,200	0.0%		0.993	0.227	4.364	50	130	0.0%	MN	MW
Contr-Heating&AC	465	1,727	325	11/19/03	525	66.0%	10 Yrs@6.5%	0.304	0.188	1.615	30	517	0.0%	GA	S
Contr-Heating&AC	550	934	202	12/30/04	525	16.0%	10 Yrs@7%	0.562	0.216	2.599	75	6	1.0%	FL	S
Contr-HVAC/Plumbing	250	787	149	12/31/03	165	85.0%		0.21	0.189	1.107	0	0	0.0%	CO	SW
HVAC Svc	1,060	2,012	306	9/30/04	615	49.0%	10 Yrs@8%	0.306	0.152	2.01	15	120	1.5%	Central FL	S
Contr-Heating&AC	1,440	2,657	27	8/31/04	1,240	0.0%		0.467	0.01	45.926	60	0	0.0%	MN	MW
Contr-Heating&AC	267	436	14	6/30/03	90	20.0%		0.206	0.032	6.429	8	100	0.0%	Glendale, AZ	SW
Contr-Heating&AC	149	405	64	7/8/05	149	100.0%		0.368	0.158	2.328	3	12	0.0%	FL	S
Contr-Heating&AC	140	394	108	6/30/05	105	26.0%		0.266	0.274	0.972	1	39	0.0%	Phoenix, AZ	SW
Contr-Heating&AC	295	591	139	7/31/06	273	66.0%	4 Yrs@8.8%	0.462	0.235	1.964	2	27	1.2%	FL	S
Contr-Heating&AC	150	414	84	3/31/06	155	100.0%		.374	0.203	1.845	0	0	7.0%	Oregon	NW
Contr-Heating&AC	74	223	86	2/28/06	30	33.0%	2 Yrs@8%	0.135	0.386	0.349	5	6	0.0%	Central FL	S
Contr-Heating&AC	280	552	203	2/14/06	280	24.0%	10 Yrs@8.8%	0.507	0.368	1.379	5	4	0.9%	FL	S
Contr-Heating&AC	62	211	92	9/30/05	43	100.0%		0.204	0.436	0.467	7	35	3.0%	So FL	S
Contr-Heating&AC	210	0	103	6/30/06	210	48.0%		0.0	0.0	2.039	30	120	0.0%	Tucson, AZ	SW
Contr-Heating&AC	391	1,418	173	10/23/06	391	20.0%	SBA 10 Yrs@Pr+2	0.276	0.122	2.26	84	115	2.0%	Boise, ID	NW
Contr-Plumbing	2,155	4,767	930	9/7/07	1,855	18.0%	SBA	0.389	0.195	1.995	45	225	0.0%	Los Angeles, CA	SW
Contr-Heating&AC	2,800	3,577	1,026	2/5/07	2,800	0.0%		0.783	0.287	2.729	100	480	0.6%	FL	S
Contr-Heating&AC	500	916	209	9/30/08	350	100.0%		0.382	0.228	1.675	0	100	0.0%	FL	S
Contr-Heating&AC	684	3,153	322	9/29/06	659	85.0%	1 Yr @6.5%	0.209	1.102	2.047	166	442	4.0%	IA	MW
Contr-Heating&AC	135	308	59	11/1/07	110	64.0%		0.357	0.192	1.864	10	65	0.0%	Phoenix, AZ	SW
Contr-Heating&AC	1,015	1,340	366	3/30/07	990	1.0%	5 Yrs@7%	0.739	0.273	2.705	10	155	3.6%	MO	MW
Contr-HVAC	59	0	43	5/3/07	43	0.0%		0.0	0.0	1.0	0	30	0.0%	FL	S
Contr-Heating&AC	507	863	187	10/20/06	452	88.0%		0.524	0.217	2.417	38	58	0.7%	FL	S
Contr-HVAC/Plumbing	550	1,419	119	10/10/07	550	0.0%		0.388	0.084	4.622	100	100	0.0%	Jordan, MN	MW
Contr-Heating&AC	500	542	221	10/23/06	460	35.0%	5 Yrs@8%	0.849	0.408	2.081	0	150	6.6%	FL	S
Contr-HVAC	295	780	0	9/28/07	230	0.0%		0.295	0.0	0.0	40	0	0.0%	Minneapolis, MN	MW

NOTE: There are several fields of information available online that are not shown here.

Standard Industrial Classification Code Numbers

As a convenience to the users of BIZCOMPS® 2023, the National Industrial Edition of Study of Small Business Sales, we have grouped each company listed in the survey by Standard Industrial Classification numbers.

The numbers assigned identify the activities of the company according to a standard system of classification established and approved by the Federal Government. This system covers the entire field of economic activity and is widely used by both government and private agencies throughout the country.

The accompanying tabulation shows these numbers to the third digit classification covering firms in the survey for manufacturing and related services. The complete numbers to the fourth digit, including a product index and definitions, are included in the transaction's SIC. Transaction data may also be searched by the NAICS (North American Industry Classification System) code in the Online format.

The survey uses SIC numbers based on the 1987 Revision to the Standard Industrial Classification Manual. This most recent update to the SIC system takes into account technological changes; institutional changes such as deregulation in the banking, communications and transportation industries; and the tremendous expansion in the service sector.

**STANDARD INDUSTRIAL CLASSIFICATION CODE NUMBERS
FOR MANUFACTURING, NONMANUFACTURING,
WHOLESALE TRADE AND SERVICES**

Based on 1987 edition of SIC Manual

AGRICULTURE

07 AGRICULTURAL SERVICES

- 071 Soil preparation services
- 072 Crop services
- 074 Veterinary services
- 075 Animal services, except veterinary
- 076 Farm labor and management services
- 078 Landscape and horticultural services

13 OIL AND GAS EXTRACTION

- 131 Crude petroleum and natural gas
- 132 Natural gas liquids
- 138 Oil and gas field services

14 MINING AND QUARRYING OF NONMETALLIC MINERALS,
EXCEPT FUELS

- 141 Dimension stone
- 142 Crushed and broken stone, including riprap
- 144 Sand and gravel
- 145 Clay, ceramic, and refractory minerals
- 147 Chemical and fertilizer mineral mining
- 148 Nonmetallic minerals services, except fuels
- 149 Miscellaneous non metallic minerals, except fuels

CONSTRUCTION

15 BUILDING CONSTRUCTION--GENERAL CONTRACTORS AND
OPERATIVE BUILDERS

- 152 General building contractors--residential buildings
- 153 Operative builders
- 154 General building contractors--nonresidential buildings

16 HEAVY CONSTRUCTION OTHER THAN BUILDING
CONSTRUCTION--CONTRACTORS

- 161 Highway and street construction, except elevated highways
- 162 Heavy construction, except highway and street construction

17 CONSTRUCTION--SPECIAL TRADE CONTRACTORS

- 171 Plumbing, heating and air-conditioning
- 172 Painting and paper hanging
- 173 Electrical work
- 174 Masonry, stonework, tile setting, and plastering
- 175 Carpentry and floor work
- 176 Roofing, siding, and sheeting
- 178 Water well drilling
- 179 Miscellaneous special trade contractors

MANUFACTURING

20 FOOD AND KINDRED PRODUCTS

- 201 Meat products

202 Dairy products

- 203 Canned, frozen, and preserved fruits, vegetables, and food specialties
- 204 Grain mill products
- 205 Bakery products
- 206 Sugar and confectionery products
- 207 Fats and oils
- 208 Beverages
- 209 Miscellaneous food preparations and kindred products

21 TOBACCO PRODUCTS

- 211 Cigarettes
- 212 Cigars
- 213 Chewing and smoking tobacco and snuff
- 214 Tobacco stemming and redrying

22 TEXTILE MILL PRODUCTS

- 221 Broadwoven fabric mills, cotton
- 222 Broadwoven fabric mills, manmade fiber and silk
- 223 Broadwoven fabric mills, wool (including dyeing and finishing)
- 224 Narrow fabric and other small wares mills: cotton, wool, silk, and manmade fiber
- 225 Knitting mills
- 226 Dyeing and finishing textiles, except wool fabrics and knit goods
- 227 Carpets and rugs
- 228 Yarn and thread mills
- 229 Miscellaneous textile goods

23 APPAREL AND OTHER FINISHED PRODUCTS MADE FROM
FABRICS AND SIMILAR MATERIAL

- 231 Men's and boys' suits, coats, and overcoats garments
- 232 Men's and boys' furnishings, work clothing and allied garments
- 233 Women's, misses', and juniors' outerwear
- 234 Women's, misses', children's, and infants undergarments
- 235 Hats, caps, and millinery
- 236 Girls', children's, and infants outerwear
- 237 Fur goods
- 238 Miscellaneous apparel and accessories
- 239 Miscellaneous fabricated textile products

24 LUMBER AND WOOD PRODUCTS, EXCEPT FURNITURE

- 241 Logging
- 242 Sawmills and planing mills
- 243 Millwork, veneer, plywood, and structural wood members
- 244 Wood containers
- 245 Wood buildings and mobile homes
- 249 Miscellaneous wood products

25 FURNITURE AND FIXTURES

- 251 Household furniture
- 252 Office furniture
- 253 Public building and related furniture
- 254 Partitions, shelving, lockers, and office and store fixtures
- 259 Miscellaneous furniture and fixtures

26 PAPER AND ALLIED PRODUCTS

- 261 Pulp mills
- 262 Paper mills

SIC Code Numbers [cont.]

- 263 Paperboard mills
- 265 Paperboard containers and boxes
- 267 Converted paper and paperboard products, except containers and boxes
- 27 PRINTING, PUBLISHING, AND ALLIED INDUSTRIES
 - 271 Newspapers: publishing, or publishing and printing
 - 272 Periodicals: publishing, or publishing and printing
 - 273 Books
 - 274 Miscellaneous publishing
 - 275 Commercial printing
 - 276 Manifold business forms
 - 277 Greeting cards
 - 278 Blankbooks, looseleaf binders, and bookbinding and related work
 - 279 Service industries for the printing trade
- 28 CHEMICALS AND ALLIED PRODUCTS
 - 281 Industrial inorganic chemicals
 - 282 Plastics materials and synthetic resins, synthetic rubber, cellulosic and other manmade fibers, except glass
 - 283 Drugs
 - 284 Soaps, detergents, and cleaning preparations: perfumes, cosmetics, and other toilet preparations
 - 285 Paints, varnishes, lacquers, enamels, and allied products
 - 286 Industrial organic chemicals
 - 287 Agricultural chemicals
 - 289 Miscellaneous chemical products
- 29 PETROLEUM REFINING AND RELATED INDUSTRIES
 - 291 Petroleum refining
 - 295 Asphalt paving and roofing materials
 - 299 Miscellaneous products of petroleum and coal
- 30 RUBBER AND MISCELLANEOUS PLASTICS PRODUCTS
 - 301 Tires and inner tubes
 - 302 Rubber and plastics footwear
 - 305 Gaskets, packing, and sealing devices and rubber and plastic
 - 306 Fabricated rubber products, not elsewhere classified
 - 308 Miscellaneous plastics products
- 31 LEATHER AND LEATHER PRODUCTS
 - 311 Leather tanning and finishing
 - 313 Boot and shoe cut stock and findings
 - 314 Footwear, except rubber
 - 315 Leather gloves and mittens
 - 316 Luggage
 - 317 Handbags and other personal leather goods
 - 319 Leather goods, not elsewhere classified
- 32 STONE, CLAY, GLASS AND CONCRETE PRODUCTS
 - 321 Flat glass
 - 322 Glass and glassware, pressed or blown
 - 323 Glass products, made of purchased glass
 - 324 Cement, hydraulic
 - 325 Structural clay products
 - 326 Pottery and related products
 - 327 Concrete, gypsum, and plaster products
 - 328 Cut stone and stone products
 - 329 Abrasive, asbestos, and miscellaneous nonmetallic mineral products
- 33 PRIMARY METAL INDUSTRIES
 - 331 Steel works, blast furnaces, and rolling and finishing mills
 - 332 Iron and steel foundries
 - 333 Primary smelting and refining of nonferrous metals
 - 334 Secondary smelting and refining of nonferrous metals
 - 335 Rolling, drawing, and extruding of nonferrous metals
 - 336 Nonferrous foundries (castings)
 - 339 Miscellaneous primary metal products
- 34 FABRICATED METAL PRODUCTS, EXCEPT MACHINERY AND TRANSPORTATION EQUIPMENT
 - 341 Metal cans and shipping containers
 - 342 Cutlery, handtools and general hardware
 - 343 Heating equipment, except electric and warm air: and plumbing fixtures
 - 344 Fabricated structural metal products
 - 345 Screw machine products, and bolts, nuts, screws, rivets and washers
 - 346 Metal forgings and stampings
 - 347 Coating, engraving, and allied services
 - 348 Ordnance and accessories, except vehicles and guided missiles
 - 349 Miscellaneous fabricated metal products
- 35 INDUSTRIAL AND COMMERCIAL MACHINERY AND COMPUTER EQUIPMENT
 - 351 Engines and turbines
 - 352 Farm and garden machinery and equipment
 - 353 Construction, mining, and materials handling machinery and equipment
 - 354 Metalworking machinery and equipment
 - 355 Special industry machinery, except metalworking machinery
 - 356 General industrial machinery and equipment
 - 357 Computer and office equipment
 - 358 Refrigeration and service industry machinery
 - 359 Miscellaneous industrial and commercial machinery and equipment
- 36 ELECTRONIC AND OTHER ELECTRICAL EQUIPMENT AND COMPONENTS, EXCEPT COMPUTER EQUIPMENT
 - 361 Electric transmission and distribution equipment
 - 362 Electrical industrial apparatus
 - 363 Household appliances
 - 364 Electric lighting and wiring equipment
 - 365 Household audio and video equipment, and audio recordings
 - 366 Communications equipment
 - 367 Electronic components and accessories
 - 369 Miscellaneous electrical machinery, equipment, and supplies
- 37 TRANSPORTATION EQUIPMENT
 - 371 Motor vehicles and motor vehicle equipment
 - 372 Aircraft and parts
 - 373 Ship and boat building and repairing
 - 374 Railroad equipment
 - 375 Motorcycles, bicycles, and parts
 - 376 Guided missiles and space vehicles and parts
 - 379 Miscellaneous transportation equipment
- 38 MEASURING, ANALYZING, AND CONTROLLING INSTRUMENTS; PHOTOGRAPHIC, MEDICAL AND OPTICAL GOODS; WATCHES AND CLOCKS
 - 381 Search, detection, navigation, guidance, aeronautical, and nautical systems, instruments, and equipment
 - 382 Laboratory apparatus and analytical, optical, measuring, and controlling instruments

SIC Code Numbers [cont.]

- 384 Surgical, medical, and dental instruments and supplies
- 385 Ophthalmic goods
- 386 Photographic equipment and supplies
- 387 Watches, clocks, clockwork operated devices, and parts
- 39 MISCELLANEOUS MANUFACTURING INDUSTRIES
 - 391 Jewelry, silverware, and plated ware
 - 393 Musical instruments
 - 394 Dolls, toys, games, and sporting and athletic goods
 - 395 Pens, pencils, and other artists' materials
 - 396 Costume jewelry, costume novelties, buttons, and miscellaneous notions, except precious metal
 - 399 Miscellaneous manufacturing industries
- TRANSPORTATION, COMMUNICATIONS, ELECTRIC, GAS, AND SANITARY SERVICES**
- 40 RAILROAD TRANSPORTATION
 - 401 Railroads
- 41 LOCAL AND SUBURBAN TRANSIT AND INTERURBAN HIGHWAY PASSENGER TRANSPORTATION
 - 411 Local and suburban passenger transportation
 - 412 Taxicabs
 - 413 Intercity and rural bus transportation
 - 414 Bus charter service
 - 415 School buses
 - 417 Terminal and service facilities for motor vehicle passenger transportation
- 42 MOTOR FREIGHT TRANSPORTATION AND WAREHOUSING
 - 421 Trucking and courier services, except air
 - 422 Public warehousing and storage
 - 423 Terminal and joint terminal maintenance facilities for motor freight transportation
- 43 UNITED STATES POSTAL SERVICE
 - 431 United states postal service
- 44 WATER TRANSPORTATION
 - 441 Deep sea foreign transportation of freight
 - 442 Deep sea domestic transportation of freight
 - 443 Freight transportation on the Great Lakes--St. Lawrence Seaway
 - 444 Water transportation of freight, not elsewhere classified
 - 448 Water transportation of passengers
 - 449 Services incidental to water transportation
- 45 TRANSPORTATION BY AIR
 - 451 Air transportation, scheduled, and air courier services
 - 452 Air transportation, nonscheduled
 - 458 Airports, flying fields, and airport terminal services
- 46 PIPELINES, EXCEPT NATURAL GAS
 - 461 Pipelines, except natural gas
- 47 TRANSPORTATION SERVICES
 - 472 Arrangement of passenger transportation
 - 473 Arrangement of transportation of freight and cargo
 - 474 Rental of railroad cars
 - 478 Miscellaneous services incidental to transportation
- 48 COMMUNICATIONS
 - 481 Telephone communications
 - 482 Telegraph and other message communications
- 483 Radio and television broadcasting stations
- 484 Cable and other pay television services
- 489 Communications services, not elsewhere classified
- 49 ELECTRIC, GAS, AND SANITARY SERVICES
 - 491 Electric services
 - 492 Gas production and distribution
 - 493 Combination electric and gas, and other utility services
 - 494 Water supply
 - 495 Sanitary services
 - 496 Steam and air-conditioning supply
 - 497 Irrigation systems
- WHOLESALE TRADE**
- 50 WHOLESALE TRADE--DURABLE GOODS
 - 501 Motor vehicles and motor vehicle parts and supplies
 - 502 Furniture and homefurnishings
 - 503 Lumber and other construction materials
 - 504 Professional and commercial equipment and supplies
 - 505 Metals and minerals, except petroleum
 - 506 Electrical goods
 - 507 Hardware, and plumbing and heating equipment and supplies
 - 508 Machinery, equipment, and supplies
 - 509 Miscellaneous durable goods
- 51 WHOLESALE TRADE--NONDURABLE GOODS
 - 511 Paper and paper products
 - 512 Drugs, drug proprietaries, and druggists' sundries
 - 513 Apparel, piece goods, and notions
 - 514 Groceries and related products
 - 515 Farm-product raw materials
 - 516 Chemicals and allied products
 - 517 Petroleum and petroleum products
 - 518 Beer, wine, and distilled alcoholic beverages
 - 519 Miscellaneous nondurable goods
- RETAIL TRADE**
- 52 Building materials, hardware, garden supply, and mobile home dealers
 - 521 Lumber and other building materials dealers
 - 523 Paint, glass, and wallpaper stores
 - 525 Hardware stores
 - 526 Retail nurseries, lawn and garden supply stores
 - 527 Mobile home dealers
- 53 GENERAL MERCHANDISE STORES
 - 531 Department stores
 - 533 Variety stores
 - 539 Miscellaneous general merchandise stores
- 54 FOOD STORES
 - 541 Grocery stores
 - 542 Meat and fish (seafood) markets, including freezer provisioners
 - 543 Fruit and vegetable markets
 - 544 Candy, nut, and confectionery stores
 - 545 Dairy products stores
 - 546 Retail bakeries
 - 549 Miscellaneous food stores
- 55 AUTOMOTIVE DEALERS AND GASOLINE SERVICE STATIONS
 - 551 Motor vehicle dealers (new and used)

SIC Code Numbers [cont.]

- 552 Motor vehicle dealers (used only)
- 553 Auto and home supply stores
- 554 Gasoline service stations
- 555 Boat dealers
- 556 Recreational vehicle dealers
- 557 Motorcycle dealers
- 559 Automotive dealers, not elsewhere classified

- 56 APPAREL AND ACCESSORY STORES
 - 561 Men's and boys' clothing and accessory stores
 - 562 Women's clothing stores
 - 563 Women's accessory and specialty stores
 - 564 Children's and Infants' wear stores
 - 565 Family clothing stores
 - 566 Shoe stores
 - 569 Miscellaneous apparel and accessory stores

- 57 HOME FURNITURE, FURNISHING, AND EQUIPMENT STORES
 - 571 Home furniture and furnishing stores
 - 572 Household appliance stores
 - 573 Radio, television, consumer electronics, and music stores

- 58 EATING AND DRINKING PLACES
 - 581 Eating and drinking places

- 59 MISCELLANEOUS RETAIL
 - 591 Drug stores and proprietary stores
 - 592 Liquor stores
 - 593 Used merchandise stores
 - 594 Miscellaneous shopping goods stores
 - 596 Nonstore retailers
 - 598 Fuel dealers
 - 599 Retail stores, not elsewhere classified

- FINANCE, INSURANCE, AND REAL ESTATE**

- 60 Depository institutions
 - 601 Central reserve depository institutions
 - 602 Commercial banks
 - 603 Savings institutions
 - 606 Credit unions
 - 608 Foreign banking and branches and agencies of foreign banks
 - 609 Functions related to depository banking

- 61 NONDEPOSITORY CREDIT INSTITUTIONS
 - 611 Federal and federally-sponsored credit agencies
 - 614 Personal credit institutions
 - 615 Business credit institutions
 - 616 Mortgage bankers and brokers

- 62 SECURITY AND COMMODITY BROKERS, DEALERS, EXCHANGES, AND SERVICES
 - 621 Security brokers, dealers, and flotation companies
 - 622 Commodity contracts brokers and dealers
 - 623 Security and commodity exchanges
 - 628 Services allied with the exchange of securities or commodities

- 63 INSURANCE CARRIERS
 - 631 Life insurance
 - 632 Accident and health insurance and medical service plans
 - 633 Fire, marine, and casualty insurance
 - 635 Surety insurance
 - 636 Title insurance

- 637 Pension, health, and welfare funds
- 639 Insurance carriers, not elsewhere classified

- 64 INSURANCE AGENTS, BROKERS, AND SERVICE
 - 641 Insurance agents, brokers, and service

- 65 REAL ESTATE
 - 651 Real estate operators (except developers) and lessors
 - 653 Real estate agents and managers
 - 654 Title abstract offices
 - 655 Land subdivider and developers

- 67 HOLDING AND OTHER INVESTMENT OFFICES
 - 671 Holding offices
 - 672 Investment offices
 - 673 Trusts
 - 679 Miscellaneous investing

- SERVICES**

- 70 HOTELS, ROOMING HOUSES, CAMPS AND OTHER LODGING PLACES
 - 701 Hotels and motels
 - 702 Rooming and boarding houses
 - 703 Camps and recreational vehicle parks
 - 704 Organization hotels and lodging houses, on membership basis

- 72 PERSONAL SERVICES
 - 721 Laundry, cleaning, and garment services
 - 722 Photographic studios, portrait
 - 723 Beauty shops
 - 724 Barber shops
 - 725 Shoe repair shops and shoeshine parlors
 - 726 Funeral service and crematories
 - 729 Miscellaneous personal services

- 73 BUSINESS SERVICES
 - 731 Advertising
 - 732 Consumer credit reporting agencies, mercantile reporting agencies, and adjustment and collection agencies
 - 733 Mailing, reproduction, commercial art and photography, and stenographic services
 - 734 Services to dwellings and other buildings
 - 735 Miscellaneous equipment rental and leasing
 - 736 Personnel supply services
 - 737 Computer programming, data processing, and other computer related services
 - 738 Miscellaneous business services

- 75 AUTOMOTIVE REPAIR, SERVICES, AND PARKING
 - 751 Automotive rental and leasing, without drivers
 - 752 Automobile parking
 - 753 Automotive repair shops
 - 754 Automotive services, except repair

- 76 MISCELLANEOUS REPAIR SERVICES
 - 762 Electrical repair shops
 - 763 Watch, clock, and jewelry repair
 - 764 Reupholstery and furniture repair
 - 769 Miscellaneous repair shops and related services

- 78 MOTION PICTURES
 - 781 Motion picture production and allied services
 - 782 Motion picture distribution and allied services

SIC Code Numbers [cont.]

783 Motion picture theaters	89 SERVICES, NOT ELSEWHERE CLASSIFIED
784 Video tape rental	899 Services, not elsewhere classified
79 AMUSEMENT AND RECREATION SERVICES	PUBLIC ADMINISTRATION
791 Dance studios, schools, and halls	91 EXECUTIVE, LEGISLATIVE, AND GENERAL GOVERNMENT, EXCEPT FINANCE
792 Theatrical producers (except motion picture), bands, orchestras, and entertainers	911 Executive offices
793 Bowling centers	912 Legislative bodies
794 Commercial sports	913 Executive and legislative offices combined
799 Miscellaneous amusement and recreation services	919 General government, not elsewhere classified
80 HEALTH SERVICES	92 JUSTICE, PUBLIC ORDER, AND SAFETY
801 Offices and clinics of doctors of medicine	921 Courts
802 Offices and clinics of dentists	922 Public order and safety
803 Offices and clinics of doctors of osteopathy	93 PUBLIC FINANCE, TAXATION AND MONETARY POLICY
804 Offices and clinics of other health practitioners	931 Public finance, taxation, and monetary policy
805 Nursing and personal care facilities	94 ADMINISTRATION OF HUMAN RESOURCE PROGRAMS
806 Hospitals	941 Administration of educational programs
807 Medical and dental laboratories	943 Administration of public health programs
808 Home health care services	944 Administration of social, human resource and income maintenance programs
809 Miscellaneous health and allied services, not elsewhere classified	945 Administration of veterans' affairs, except health and insurance
81 LEGAL SERVICES	95 ADMINISTRATION OF ENVIRONMENTAL QUALITY AND HOUSING PROGRAMS
811 Legal services	951 Administration of housing and urban development programs
82 EDUCATIONAL SERVICES	96 ADMINISTRATION OF ECONOMIC PROGRAMS
821 Elementary and secondary schools	961 Administration of general economic programs
822 Colleges, universities, professional schools, and junior colleges	962 Regulation and administration of transportation programs
823 Libraries	963 Regulation and administration of communications, electric, gas, and other utilities
824 Vocational schools	964 Regulation of agricultural marketing and commodities
829 Schools and educational services, not elsewhere classified	965 Regulation, licensing, and inspection of miscellaneous commercial sectors
83 SOCIAL SERVICES	966 Space research and technology
832 Individual and family social services	97 NATIONAL SECURITY AND INTERNATIONAL AFFAIRS
833 Job training and vocational rehabilitation services	971 National security
835 Child day care services	972 International affairs
836 Residential care	99 NONCLASSIFIABLE ESTABLISHMENTS
839 Social services, not elsewhere classified	999 Nonclassifiable establishments
84 MUSEUMS, ART GALLERIES, AND BOTANICAL AND ZOOLOGICAL GARDENS	
841 Museums and art galleries	
842 Arboreta and botanical or zoological gardens	
86 MEMBERSHIP ORGANIZATIONS	
861 Business associations	
862 Professional membership organizations	
863 Labor unions and similar labor organizations	
864 Civic, social, and fraternal associations	
865 Political organizations	
866 Religious organizations	
869 Membership organizations, not elsewhere classified	
87 ENGINEERING, ACCOUNTING, RESEARCH, MANAGEMENT, AND RELATED SERVICES	
871 Engineering, architectural, and surveying services	
872 Accounting, auditing, and bookkeeping services	
873 Research, development, and testing services	
874 Management and public relations services	
88 PRIVATE HOUSEHOLDS	
881 Private households	

Transaction Data Submission Forms

CERTIFICATION FORM

To: Jack R. Sanders
BIZCOMPS®
PO Box 97757
Las Vegas, NV 89193

As you suggested, I am enclosing business sale information on _____ transactions I have direct knowledge of. I believe this information, to the best of my knowledge, to be correct. I understand that I am to receive one year's free access to the full BIZCOMPS® database online. Access to start after receipt of transaction data.

Signed _____

Name _____

Business Name _____

Address _____

City & State _____

Phone No _____

Email Address _____

Email Address again _____

Date _____

Additional Comments _____

BIZCOMPS® SALE DATA SUBMISSION FORM

SIC # (If Available)	_____	_____	_____
Type of Business	_____	_____	_____
Product/Service	_____	_____	_____
Business Name	_____	_____	_____
Asking Price	_____	_____	_____
Annual Gross Sales	_____	_____	_____
Net Inc. Before Taxes	_____	_____	_____
Seller's Disc. Earnings	_____	_____	_____
Date of Sale	_____	_____	_____
Sale Price	_____	_____	_____
Asset or Stock Sale?	_____	_____	_____
% Down Payment	_____	_____	_____
Terms (Interest Rate & Note Length)	_____	_____	_____
Inventory Amount	_____	_____	_____
Inv. in Sale Price?	_____	_____	_____
Fixture & Equip. Value	_____	_____	_____
Value of Real Estate?	_____	_____	_____
Rent as a % of Sales?	_____	_____	_____
Days on Market?	_____	_____	_____
Franchise Royalty %	_____	_____	_____
# of Employees	_____	_____	_____
Geographical Area?	_____	_____	_____
Comments	_____ _____		

SUBMISSION REPORT KEY

SIC =	Small Business Industry Classification Number (Standard Industrial Classification)
NAICS =	North American Industry Classification System
TYPE OF BUSINESS =	Best Description of Subject Business
PRODUCT/SERVICE =	Best Description of Product or Service
BUSINESS NAME =	Actual Name or Identification Code for Business
ASKING PRICE =	Asking Price (000's) (Does not include inventory)
ANNUAL GROSS SALES =	Annual Gross Sales (Normally Net of Sales Tax)
NIBT =	Net Income Before Taxes
SDE =	Seller's Discretionary Earnings (Net Profit Before Taxes and any compensation to owner Plus Amortization, Depreciation, Interest, Other Non-Cash Expense, and Non-Business Related Expense) (Normally to One Working Owner)
DATE OF SALE =	Actual Date of Sale
SALE PRICE =	Actual Sale Price (in 000's)
ASSET OR STOCK SALE =	If Stock Sale Show Asset Value
% DOWN PAYMENT =	Down Payment as a Percent of Sale Price
TERMS =	Interest Rate and Terms of New or Assumed Encumbrance
INVENTORY AMOUNT =	Inventory at the Time of Sale (in 000's)
INV IN SALE PRICE =	Was Inventory Included in Sale Price?
FIXTURE & EQUIP VALUE =	Best Estimate of Value of Furniture, Fixtures & Equip.
VALUE OF REAL ESTATE =	Value of Real Estate Included in Sale
RENT AS A % of SALES =	Annual Rent Paid as a Percent of Gross Sales
DAYS ON MARKET =	Actual Number of Days on Market
FRANCHISE ROYALTY % =	Actual Royalty Less Advertising Percentage
# OF EMPLOYEES =	Full Time or Part Time
GEOGRAPHICAL AREA =	Region or Geographical Location of Business