

**Small Business Development Center
Penn State**

Helping businesses start, grow, and prosper.

All-Systems a “Go” for buyout of All Systems Inspections

Background:

George Brown first came to the SBDC in March of 2006 with the hopes of purchasing a local residential inspection company. He was in the process of negotiations with the owner and needed to prepare a business plan to submit for financing. George had been working with the owner since February to learn the business and to create relationships, which are necessary in this type of business in a small community. The business had been operating for 10 years and the current owner decided to change focus and return to college, which why he was looking to sell the business.

Assistance Provided:

While George worked in the business with the current owner and while he was receiving training to become licensed, the SBDC helped him to obtain financing to purchase All Systems Inspections, LLC. The SBDC started by reviewing the historical financial information for the business. The SBDC asked numerous questions to be sure that the projections would accurately reflect the current business operations. The SBDC assisted in drafting a cash flow statement for the first year, income projections and balance sheets. In addition, the SBDC helped George with his business plan by reviewing his draft and by completing demographic research for him. In addition, with buying a business, there are numerous issues to discuss with an attorney to be sure everyone fully understands the details of the sale. The SBDC pointed out issues that needed to be discussed with his attorney.

Although March to June seemed to be a long time, there were many questions and issues to resolve before the sales agreement deadline of June 1, 2006. One issue was how to structure the loan. The SBDC gave George some alternatives and he discussed these with a local bank. The bank subsequently approved a \$35,000 SBA guaranteed loan for George to purchase All Systems Inspections. After taking over the business in mid-2006, George was extremely busy for the remainder of the year and in some months he exceeded last year’s revenues by as much as 5%. He is already making some enhancements to the business such as a new easy to read report with a summary for the clients, follow up service by phone and new services such as air quality tests.



“The staff of the SBDC assisted with just about every aspect of my preparation for the acquisition of this company. ”

- George R. Brown, Jr.

George Brown
All Systems Inspections, LLC
117 Deerbrook Lane
Centre Hall, PA 16828
814-571-0558
Centre County

Industry: Construction/housing

Year Founded: 2006 (purchased)

SBDC Assistance: Business planning, cash flow projections, research

Additional Partners: Nittany Bank

Penn State SBDC
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