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Looking for an equity partner? Write a customized business plan

For immediate release

Santa Monica, Calif.—July 07, 2004—“If you are looking for an equity partner, a customized business plan can help you communicate your vision for the business, gain credibility and attract a high-quality partner,” says Officer Susanna Jue of Stonefield Josephson, a California-based certified public accounting firm. “The marketplace is full of investors looking to buy into a business,” says Jue. “Your potential partners are entrepreneurs, private equity fund managers, even your own employees or suppliers.” According to Jue, the challenge is to narrow the field to high-quality candidates with realistic expectations.

How does a plan customized to draw an equity partner differ from the typical business plan? “A customized business plan explains the reasons why you are looking for a partner,” says Jue. “For instance, you may need a financial partner. Perhaps you want someone with an operations background so you can focus on marketing. If your firm is mature and stagnating, a person who can develop new lines of business may be ideal. Maybe you just want someone to take over when you retire.” In short, explains Jue, you want to clearly explain the niche that your business partner will fill. “You have a great vision for the business but not all of the ingredients. The right partner makes that vision possible.”

Jue says that your plan should attract a partner with the same goals. “The plan is your blueprint for the marriage. Include more than the typical financial statements, projections and

financial history. Lay out your vision and define your competitive advantages. Explain why your business model is unique and/or achievable. Highlight the talents and weaknesses of your management team. Make a compelling argument that the business can produce the goals and numbers with the help of the right partner.” Jue says that enlisting a certified public accountant in the development of your customized plan will lend credibility to the financials. “Your accountant can also notify bankers, attorneys and others in his or her network that you are looking for an equity partner.”

A final crucial element of the customized business plan: the exit strategy. “If you and your partner find that you cannot work together, having an exit strategy in place can lead to a faster, equitable split,” says Jue. “Your accountant can help you draft a buy-sell agreement.” Even if the relationship with your partner is ideal, define the timeframe and circumstances for the eventual sale of the business, advises Jue. “If you want to sell the business in five years, your plan notifies a potential partner of your intentions.” For additional information on finding and bringing in an equity partner, contact Officer Susanna Jue at 310-453-9400 or sjue@sjaccounting.com.

Stonefield Josephson Inc. is a California-based certified public accounting and business advisory firm founded in 1975. The 100-person firm serves public and privately held clients throughout the United States and internationally from four California locations: Santa Monica, Irvine, San Francisco and Walnut Creek. Services include assurance/accounting; business consulting (profit enhancement; finance sourcing; mergers and acquisitions; family-owned business; succession planning; executive incentive compensation; business plans and budgeting); business valuation; financial recovery; forensic services; litigation support; public companies services; and tax services.