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## **Entrepreneurship: Risk or reward - by Dennis Serpone**

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Dennis Serpone

In today's economic climate, combined with the estimates of 'people in the know', 2024 and 2025 are going to be financially stressful years. Oil is anticipated to go back well over the \$100/barrel figure to as high as \$300/barrel due to the still charging inflation that is expected; our Congress, led by Biden's apparently socialistic policies, has promised to redistribute the wealth of successful working taxpayers to those not working, unable to work, and those in our country illegally. Just announced: 50% of our population who work are supporting 50% who don't.

This redistribution of wealth will come in part with eliminating existing tax cuts from the prior administration, increasing taxes and increasing fees...at all State and Federal levels. Simply put, that means that if you have a job and receive a weekly paycheck, get prepared to see your take-home pay 'decimated'.

Now ask yourself, 'not only how do I get ahead, but how do I maintain my present standard of living'?

If you took your savings to a casino and bet it all on 'red', that would be foolhardy and risky. If you studied blackjack for years and played with your savings that might be considered a calculated risk. If you did nothing, that would also be considered somewhat risky...we've seen what 'doing nothing' has done to our stock market investments and home values over the last year.

The future success of our country, and specifically the future success of the average person, might be based on entrepreneurship...small business owners who historically create jobs.

If you've ever worked in a restaurant, tended bar, or made pizzas in pizza-sub shop, you've got the basics needed for taking a calculated risk...buy or start a small business. It does take a 'leap of faith', but doing nothing might be devastating. How will your life be impacted if you, or you and your wife, lose your jobs? What happens to your plans if your boss decides to cut back your hours?

It's all about RISK-REWARD.

While those that work and get a paycheck get to write-off next to nothing when you do your taxes, owning a small restaurant can provide numerous benefits...dealing with cash is an obvious and huge benefit, feeding your family out of the restaurant, writing off travel expenses, phones, cars and a myriad of other quasi-business expenses...if you can read between the lines.

There's obviously a risk in leaving the 'security' of a job, the comfort level of going someplace that's been a home for so many years, but as the president says. "these are extraordinary times that take extraordinary measures. To do nothing could be catastrophic."

The rewards of buying a going business could dwarf any investment you've ever made. With some due diligence, proper transition training, and sufficient capital reserves the rewards far outweigh the risk of doing nothing.

In my 43 years of representing buyers and sellers of food and liquor businesses I've seen hard-working people who barely speak NET over \$150,000 per year...year after year. On the other hand I've witnessed the demise of high quality, well-known restaurants fail because the owner steps back from the operations and lets others run the business.

These are extraordinary times. There are extraordinary opportunities that will change your life forever. Only by closely weighing the 'risk-rewards' can you make the right decision. But, in buying a going business, the risk is minimal if you have some experience, some reserve capital, and are committed to working hard to be successful.

Let's assume that you have the opportunity to buy small restaurant pub for \$500,000 with a \$200,000 down payment. Let's assume that this pub nets \$200,000 per year. Let's assume that after 10 yrs, you decide to sell your business...not for a profit, but for just what you bought it for, \$500,000 with a \$200,000 down payment.

With verifiable financial statements and tax returns and with your hands-on management skills, you can prove to a buyer that, in the past 10 years, the business had a net profit of \$2 million dollars.

If you purchased this business 10 years ago for \$500,000 and now sold it for the same amount...\$500,000, the business cost you ZERO.

Meanwhile, you made \$2 million dollars.

Where can you find a job, working for someone else, where you can accumulate \$2 million dollars.

Let our restaurant specialists walk you through the steps to changing your life. After 43 years, almost a half billion in sales and consultancy fees, and 20 specialists train to restructure difficult deals into its simple counterpart.

Dennis Serpone is the founder of National Restaurant Exchange, Wakefield, Mass.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540