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JOHN STANCAVAGE
Business editor

Should you sell your small business?

I have a friend who bought a small business a few years ago in another state. For a short time, I envied him.

He had been a longtime customer of the company, which sold high-end audio equipment. He owned another venture, a communications business, but it wasn't his passion.

When the stereo store went up for sale, he sold his own company and jumped on the opportunity.

How wonderful, I thought. To turn your hobby into your career. To be your own boss. To be responsible for your own future.

But, soon came some sour notes. He was hit with a lawsuit. He got divorced. And, the kicker: Thanks to the emergence of music downloading and iPods, the market for his products changed dramatically.

At one point, he told me in a hushed tone that he was worried. It might be time to face the music. Literally.

I'm sure he could have put the store up for sale, and probably it crossed his mind. Whether he could have recovered his investment, however — with the market slumping — might have been questionable.

He hung on, though, and today is on an upswing. In fact, he just opened a second store, which focuses more on "lifestyle" applications of music and video than hobbyist items such as tube amplifiers and towering speakers.

Persistence seems to have worked for my friend, but in other cases it might be better to sell.

And, right now may be the best opportunity to do just that, a Tulsa-based business broker says.

David L. Perkins Jr., whose Vercor firm has 10 offices in the United States, Canada and Europe, says business owners have a better chance of making a sale and getting top value when the economy is fairly strong.

"If they wait, and we go into the bottom of a business cycle, it's much harder," he says.

Perkins is a University of Oklahoma graduate who also holds an MBA from Notre Dame. He recently completed the second edition of "Concise Overview of Business Valuation of Small and Midsize Private Companies." The 105-page book is available for \$34.95 at www.thebusinessowner.com or amazon.com

For any business owner thinking about selling, Perkins offers the following advice:

► **Figure out why you want to sell.** "Is the problem with a partner? Are you tired of dealing with employees? Are you worried about the future?"

Once you decide what's making you unhappy, you can look at all the possible solutions. A sale may not be the best one, Perkins says.

► **Realize that no one likely will love your company the way you do.**

"Business buyers just want to make a lot of money," Perkins says. "So quit trying to find a buyer who shares your love for your business. . . . Sell what they are buying."

► **Understand that selling your company is not always the best financial move.** Small businesses usually sell for just a few times their annual cash flow, Perkins observes.

"If you make \$100,000 a year and net \$200,000 on the sale, the annual interest off of that — say, \$12,000 — isn't going to be nearly as much as you were earning from the company."

For some business owners, though, less income may be preferable to working 60 hours a week or other headaches. That's where a specialist like Perkins comes in — an outsider who can determine the value of the company from an unbiased viewpoint and market it aggressively.

It can be an emotional time. Still, even Perkins admits that on rare occasions you might be lucky enough to find someone like my friend who not only wants to buy the company but is completely enamored with it.

That would create a more satisfying end for the business owner. The buyer's adventure, however, will be just beginning.

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BUSINESS FOCUS | SOUTHWEST UNITED INDUSTRIES



Photos by STEPHEN HOLMAN / Tulsa World

James Jasper cleans up a super finish coating on an Airbus A380 landing gear assembly at Southwest United Industries' Tulsa plant.

Firm keeps world flying

By JOHN DOBBERSTEIN
World Staff Writer

It would be easy to overlook Southwest United Industries, a family-run business crammed into a scruffy neighborhood just east of downtown.

But there is hardly an airplane or helicopter flown in North America that hasn't been touched by SUI, a \$27 million company that finishes parts for commercial and military aviation.

Employment and sales have nearly doubled at SUI since 2003 as commercial and military aerospace projects began multiplying.

The 53-year-old company boasts major customers such as Boeing Co., Lockheed Martin Corp., Airbus SAS, Honeywell International Inc. and Bell Helicopter.

SUI employs 210 people in Tulsa and an additional 44 at smaller plants in Oklahoma City, Los Angeles and Toronto. The company is certified by the Federal Aviation Administration as a repair station, and 95 percent of its work involves the aerospace industry.

SUI's owners, the Emery family of Tulsa, plan to continue capitalizing on a resurgent aerospace industry — but not at a euphoric pace.

"I do not want astronomical growth. I don't know how to manage astronomical growth," SUI President W.A. "Bill" Emery said recently in the company's conference room in Tulsa.



Southwest United Industries President Bill Emery talks about his company at the plant near downtown Tulsa.

"I do want growth, but I want us to be able to do it and maintain a reasonable job for our customers," he said. "I think that's more important to me than growing or getting additional sales, or getting new customers."

SUI is among the Tulsa aerospace companies that have grown from humble beginnings. It was founded in 1953 as Southwest Metal Finishing Co. by Emery's grandfather, Willard,

Southwest United Industries

Address: 422 S. St. Louis Ave.

Services: Finishes and repairs aerospace parts for commercial and military aircraft and helicopters, as well as the oil industry.

Company structure: Privately held

Officers: W.A. "Bill" Emery, president; James M. "Jim" Emery, executive vice president; Rick Holder, vice president finance/administration; Blake Atkins, secretary.

Employees: 210 in Tulsa; 44 in Oklahoma City, Los Angeles, Toronto

2005 revenue: \$27 million

Web site: www.swunited.com

who came here from the East Coast.

Because of the presence of American Airlines, Rockwell International and other companies, SUI became focused on aerospace work in 1960.

Manufacturing of helicopters for the Vietnam War helped SUI grow to 170 employees by 1967. But employment dwindled to just 50 in 1970 when war production slowed and the U.S. economy fell into a recession.

SUI survived by doing work for remaining aviation customers and oil companies through the 1970s. In

SEE SUI E-3

TSA carry-on rule enforcement confusing

By SCOTT MCCARTNEY
The Wall Street Journal

An airport security screener sat at a Dallas-Fort Worth International Airport checkpoint beside a plastic tub filled with small cans of shaving cream and tiny tubes of toothpaste.

Were they contraband items that ran afoul of safety rules?

"No, people didn't have quart-size plastic bags," the Transportation Security Administration official said.

Where's Seinfeld when you need him? In a quintessential bureaucratic bedevilment, the TSA allows small bottles and tubes of liquids to be car-

ried aboard airplanes only if they are enclosed in a quart-size, zip-top plastic bag. No gallon bags. No fold-over sandwich bags. Screeners confiscate any nonconforming items or send travelers to ticket counters to check luggage.

That's just one of the frustrations travelers have found as TSA began implementing new rules on liquids last month and, in the eyes of some travelers, seemingly prohibited common sense.

TSA says the rules are the result of specific core security issues — three-

SEE TSA E-3



A Transportation Security Administration employee holds a bottle belonging to a passenger as the traveler goes through security at Denver International Airport.

MATTHEW STAVIER / Bloomberg Press