What is your Business - Painting the Pig

**SUMMARY KEYWORDS**

business, cleaner, accounting, operate, publicly traded, EBITDA, adjustment

**SPEAKERS**

Carey Berger

**Carey Berger** 00:00

Hello, I'm Carey Berger. I'm here to talk to you about painting the pig. It sounds like a strange term, and it kind of is, but here's the idea. You've been successfully running your business as a closely owned business for many years. You operate it in a way that's perfectly appropriate and perfectly legal, but it isn't necessarily the same way that one would run a publicly traded business. So, what happened? What does that mean? Well, that means things like, well, I've got a truck, and I put gas in it and/or I'm paying my insurance out, or whatever it is that I'm doing to operate my business in a way that's efficient for me, no problem. The problem is, when you go to sale, if we're on the sale path, those things have to be adjusted out. So, you can do it in the form of an adjustment to your EBITDA, and that'll work. But ideally, what you would do is you'd spend about three years operating your business and doing the accounting the same way that you would do it if it were a publicly traded business. Maybe not quite as elaborate as publicly traded business. But nonetheless, the more clean your books are, the cleaner your notes, and the cleaner your accounting is, the better it is to be able to tell the story of your business and why it's worth something and why someone would want to buy it. It's called painted the pig. It sounds a little bit irreverent, but actually, it's important. Your business is not a pig, but it needs painted if you're going to let somebody else see just how beautiful this business really is.