

Aamco Franchise “To Buy or not to Buy”



“ The help of the SBDC was instrumental in helping me reach my decision and plan for taking over the business. I was really surprised at the quality of consulting provided by the SBDC” – Dino Caporossi

Clients: Dino Caporossi
Business: Aamco
Address: Oakland Avenue
Indiana, PA 15701
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Website:

Industry: Auto repair & maintenance
Date Established: 1968
Year Acquired: 2011
SBDC Assistance: Acquisition assistance/Business plan

Indiana University of PA SBDC
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**Background**

Dino Caporossi wanted to assess the advisability of purchasing an operating Aamco franchise. Dino was referred to the IUP SBDC by a bank lending officer who felt we could assist him analyze the opportunity.

The Assistance

The IUP SBDC helped him review the historical financials and undertake the due diligence he needed to come to a decision. A critical aspect of this process was for Dino to discuss operating procedures and marketing strategies and tactics with other franchisees. Subsequently, the SBDC worked with him to create several projections and a business plan utilizing different scenarios given the operating changes he envisioned. The process increased his confidence that the purchase was advisable and helped him develop his plans for operating the business. At the conclusion of the process Dino was surprised by the amount and quality of assistance and insight the SBDC brought to the process.

Specifically the SBDC helped by:

- Analyzing the historical financials
- Identifying breakeven revenues
- Researching the industry
- Deepening client's knowledge of due diligence regarding a purchase of a business
- Developing a business plan with financial projections
- Discussing various financing options
- Reviewing industry rules of thumb for valuing this type of franchise

Results

Dino Caporossi purchased the franchise and has instituted the operating changes he envisioned. Initial results have been encouraging and have reinforced his decision to purchase the facility. There is no buyer's remorse in this instance, because of a great deal of quality research that led to the purchase.