

How to Stand Out To Buyers (and maximize valuation when selling your firm)

Owners often wonder what they can do to make their company more attractive for an eventual sale. To that we have so much to say but so little time! A few key concepts are outlined below, which we hope are helpful.

Be different.

Be able to articulate what differentiates you from competitors. Why are you the best? Do you have a process or technology that others don't? Do you have unique information assets? Do you have a different approach? What's your edge? Define it and make sure they know it.

Do it better.

Saying that you're better than the other guys is one thing. Having financial statements and a sustainable business model that prove it is another, and as it happens, matters (much) more.

Know where you're growing.

In order to hit a home run deal, know where your firm's growth is coming from. In the best case, this is explained in detail by a list of prospects that you're currently in front of (aka. a "sales pipeline") that includes a measure of how advanced each of the discussions are, as well as a sense of the revenue potential and timing of each.

IT improves everything.

Technology firms can generate remarkable selling multiples, given (among other things) their ability to sell their solutions over and over again, as well as their ability to transform an offering or a marketplace.

Service businesses, too, can sell for highly attractive multiples. In particular, tech-enabled service businesses (i.e. those that have developed technology to improve efficiency) sell for greater multiples than those without a tech-enabled offering. Plain and simple.

Be advised (and informed).

Would you enter a car dealership unaware of market pricing and the things that impact pricing? Of course not! Having the right advisor to guide you through the process is often the difference between a good deal and a bad one, or no deal at all. An advisor that specializes will know how to overcome the bumps in the road (there are always a few bumps!), will have relationships with the right buyers for your firm and your goals, and will steer you away from buyers that re-trade deals or that only submit low offers. And of course, their involvement will net you significantly enhanced deal terms.

To discuss how your firm can prepare for a successful exit, please contact us at 301-576-4000 or via email. For further information about GA, visit our new website www.greenberg-advisors.com.

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