

Selling Your Agency *Lead · Build · Grow · Fix*

Founders should consider the following when contemplating a sale:

1. Be clear about why you are selling and what you want from the deal; is it an exit, a transition or a platform for growth, development and expansion? This will drive and shape the deal you do. Making a transaction and forming a relationship may require very different structures
2. Have a clear point of view about why you are different / attractive. You need to differentiate yourself from others in your market space
3. Get the timing of the deal right; don't leave it too late. Make sure you have the energy for an earn-out as well as the engine for growth still within the business
4. Get good advisers. If you are not familiar with warranties, restrictive covenants, due diligence and the rest, get help from someone who is
5. Don't get over-emotional about technical aspects of the contracts. They are a necessary insurance policy that allows the acquirer to commit to the deal
6. Don't let the deal distract you from running your business; stay focused on clients and management
7. Be clear about how you fit into the acquirer's plans, what value you add to them and why they are interested in buying your business, e.g.:
 - a. Your revenue and profitability are strong
 - b. You have exclusive IP or know-how
 - c. You are active in a sector they are keen to enter
 - d. You have key clients they wish to acquire or contacts they value and wish to engage
 - e. You offer a leadership solution for another part of their business
8. Spend time getting the chemistry right; do you see the world the same way?
9. Prepare for sale well in advance by eliminating 'lifestyle' expenses from the P&L account, avoiding add-back adjustments to profit normalisation that will need to be explained
10. Have solid accounting systems and practices in place already that show integrity, reliability and professionalism as an everyday part of your business
11. Consider your business performance; buyers like consistent, solid growth and profitability. Develop forward plans with credible assumptions and goals
12. Make sure you will be comfortable operating in a corporate environment; some entrepreneurs simply can't work for anyone but themselves
13. Have clarity over management responsibility and a plan for management succession; there has to be 'one throat to choke' so shared leadership roles are uncommon
14. Lock your key people in before you begin discussing a sale of your business and work out how you will reward loyal staff from the proceeds; the buyer will not want to pay twice
15. Take references; speak to others who have recently completed deals with your prospective acquirers
16. Discuss how you will mine your new partners contacts and relationships & leverage their network

Juniper2 can help you prepare for succession, plan for and manage your exit.