



OPTIMIZING VALUE

Thinking of selling your business?

Too many businesses are sold at well below their potential value

Are you thinking of selling within the next 5 years?

IF SO YOU NEED TO PLAN IN ORDER TO OPTIMIZE VALUE



**NICK
RICHARDS**

Nick has been in business for over 35 years at board level, as Commercial Director, Managing Director, Non-Executive Director and Chairman

Nick comes armed with a wealth of experience in business planning, growth, fund-raising, structure/restructure, mergers & integration, acquisitions and company sales, sales and marketing including brand creation and development. Nick is passionate about business. His interest is in helping small and medium sized businesses (from the very small up to around £50 million turnover) to maximize profitability, and to focus on the core issues that really matter and will shape their business.



**JOHN
PANCZAK**

John trained as a Chartered Accountant with PwC, and has many years experience at FD level in entrepreneurial fast growth companies. He has been involved in several early stage VC backed companies, and was a co-founder of a biotechnology company which raised £3m, and was also Group FD of an international company that floated on AIM raising £20m+.

John has extensive knowledge of the issues involved with growing quickly and profitably and in acquiring & selling companies. John is keen to ensure that companies develop business models that enable them to build quality revenue streams & sustainable value. His style is pragmatic and friendly.

TOO MANY BUSINESSES ARE SOLD FOR SIGNIFICANTLY LESS THAN THEIR POTENTIAL VALUE

Furthermore, often a high percentage of the sale proceeds are withheld and only paid on an 'earn-out' basis, sometimes years after the sale – and long after the owner has lost control of the business.

Why? Because the business is not fully optimized for sale and de-risked.

You have worked hard, possibly for many years, to build your business so naturally you will want to secure the highest price possible when you finally sell up. Many businesses are sold well below the value that could be achieved with some time and careful planning. Buyers will understandably look for reasons to a) reduce the price and b) pay as little cash up front as possible to minimize their risk. Presenting your company in the right way and creating the right impression helps increase the value of the business and the percentage received up front.

So can you improve the perception and increase value? Usually yes, by careful planning in order to:

- Maximize revenues & ensure currently untapped revenue streams are identified and ideally proven, even if not fully exploited
- Ensure long term contracts are in place with customers and key suppliers where possible
- Minimize costs and Maximize profit
- Ensure you are on top of financial data
- Ensure appropriate KPIs are in place and trending in the right direction
- Increase operational efficiency & ensure key systems/processes documented
- Reduce dependence on current owner/s
- Delegate authority as far as possible
- Streamline the due diligence process
- Ensure the business is looking as attractive to buyers as possible e.g. modern branding, marketing, premises etc.

And much more...

WHY PLANNING EARLY IS IMPORTANT

Most businesses are valued based largely on a multiple of net profit. So for example if the agreed multiplier is 4x net profit then for every £25k of additional profit the value of the business could potentially increase by £100k.

Why does the sale of a business not happen or take a long time or include a hefty earn out?

In practice the key issue is risk; the buyer becomes nervous about key uncertainties. Our job is to work out ways of reducing risk. We have been in your position & have bought & sold many businesses ourselves, so have lots of experience in tackling this problem..

We are local and also have numerous useful relationships with lawyers, bankers, corporate finance houses etc., as well as local businesses, and have frequently brought new business to our clients.

The comprehensive LAUDIS Exit Planning process covers all aspects of the business's activities and functions, and identifies any areas where optimization could enhance value.

We are very confident that we can help you to optimize your business whilst you continue to focus on day-to-day activities. In fact we're prepared to put our money where our mouths are and offer a success-based fee.

When is the ideal time to start this process?

Well, ideally when you start the business! However this rarely happens, so we suggest not less than 18–24 months before putting the company on the market. However once the process is complete it is much easier to maintain the company in its optimized state – so it's never too early, and you never know when you might get an unsolicited approach from a potential acquirer!



Are you considering selling your company within the next few years? If so then for a free no obligation meeting please contact us – you have nothing to lose and potentially a lot to gain.

Helping Ambitious Businesses

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