



CASE STUDY

THE HEART OF THE MATTER

The problem

A marketing firm brought me in to help with an offer that had been made to purchase their business. The owner was excited to have the offer on the table but wasn't sure if the price couldn't be higher and the terms a little better. He didn't want to leave any money on the table. His question to me was if I could help him evaluate the offer and find overlooked value for the negotiation.

The solution they could live with

Working alongside his CFO, I went to work trying to uncover any hidden assets in the company that the purchaser would value.

During the course of this research, something very interesting kept coming up in regards to the disposition of the current staff inside the new organization. The owner kept returning to the subject and lamenting some of the unrealized potential of his group. When I pressed on this point, he admitted that part of the appeal to the purchase offer was that it validated his decision years before to start the company, and that he enjoyed the idea of a lump sum of cash, but he was having a hard time with the uncertainty of his people's future. He had not been building the company for a sale, he had been building the company to be a unique workplace, which it was.

After hearing him and watching him interact with his people, I verbalized what was going on his head, and suggested that the solution he could live with involved turning down the offer and investing in the potential of his company.

The result

He told me that I helped him get to the heart of the matter, his ego was flattered by the validation of the value in what he built, but money wasn't the whole reason why he was in business.

He reinvested in the business with a new energy and launched a new product within months of making his decision. His staff felt the renewed vigor and responded with an uptick in sales and profit.

He jokes about the "life of leisure" he turned down, but knows that as he continues to build, better exit opportunities will come along.



IN BRIEF

Marketing firm wanted help with purchase offer.

My unique insight is that the owner was in business for the team as much as the money.

The owner decided to invest more.

Renewed energy has led to bottom line results and owner happiness.