



“Selling your business for its maximum value”

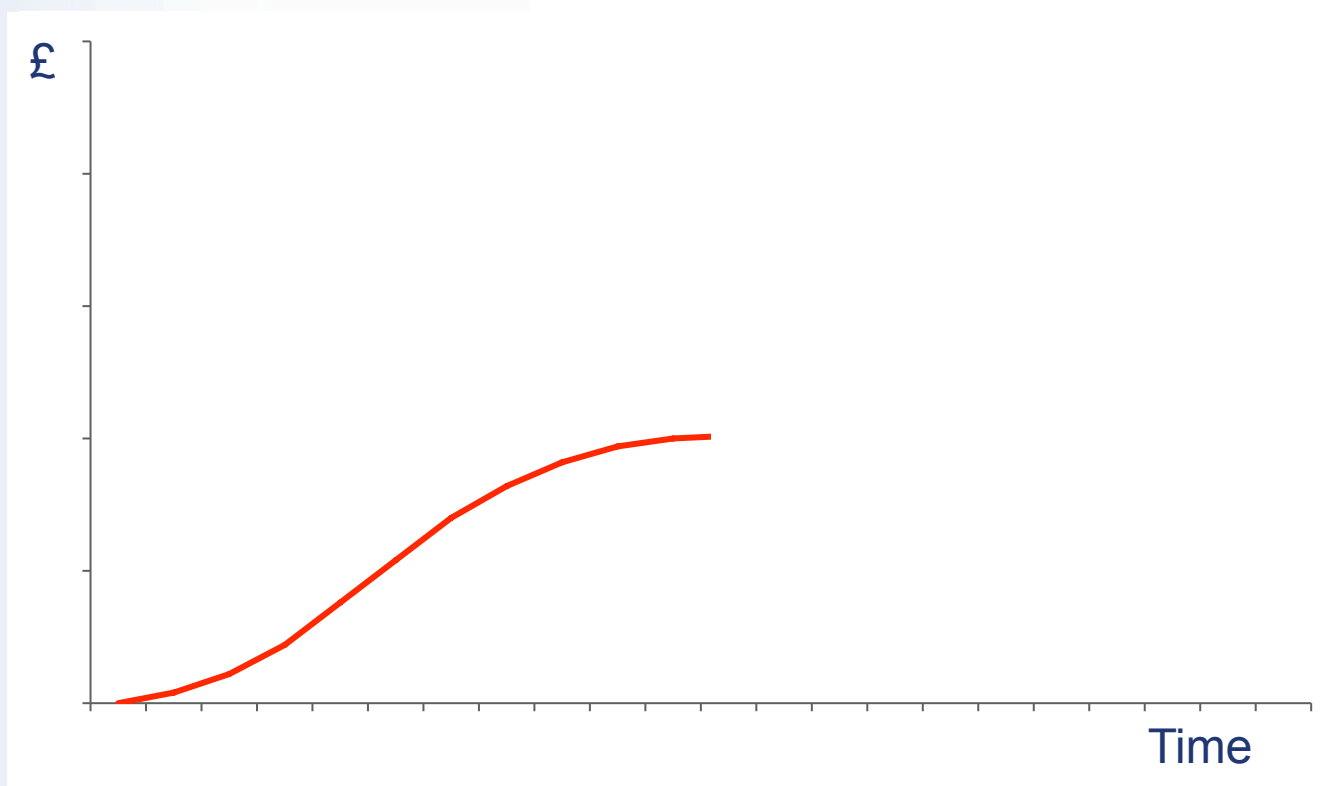
The refreshingly different approach to selling a translation business

Motives for selling

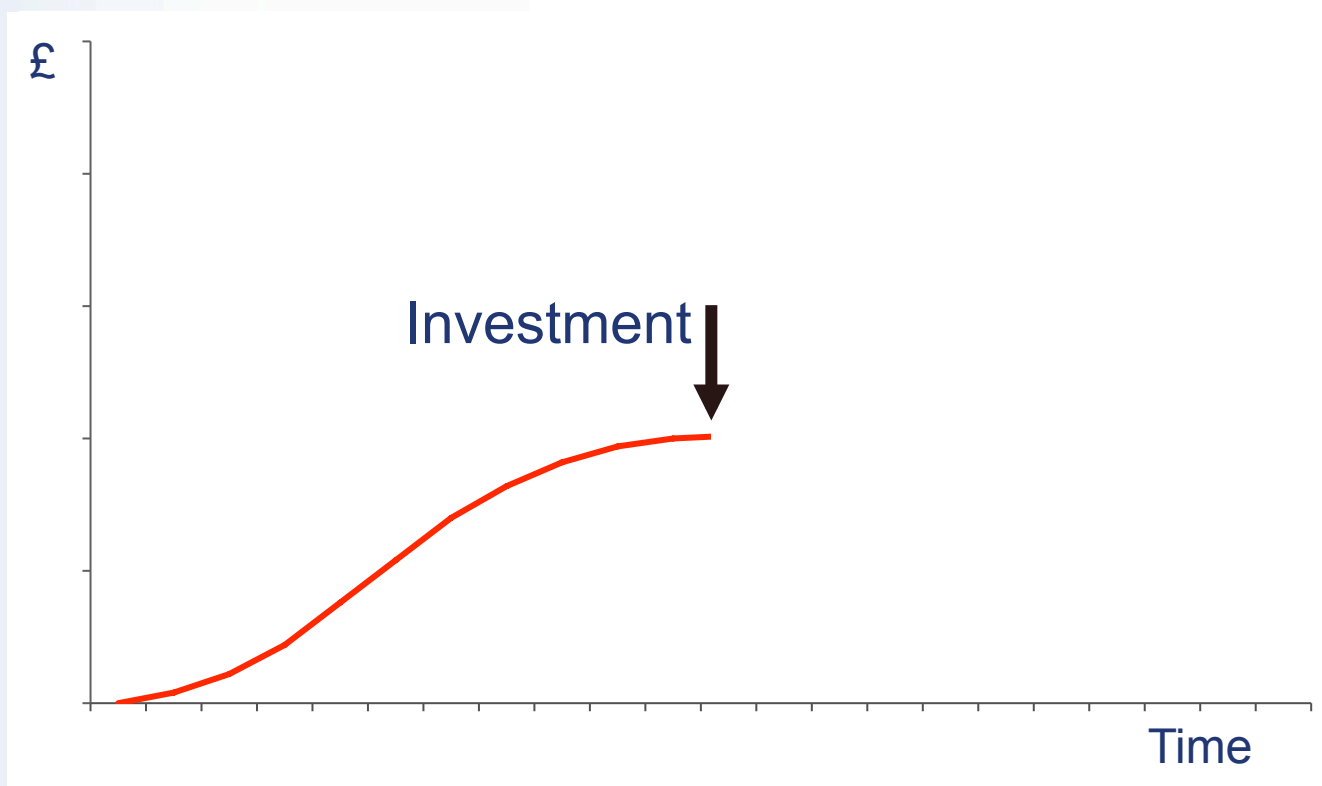
People usually sell for 5 reasons

- Lifestyle change
- Entrepreneurs vs managers
- Time
- Co. growth

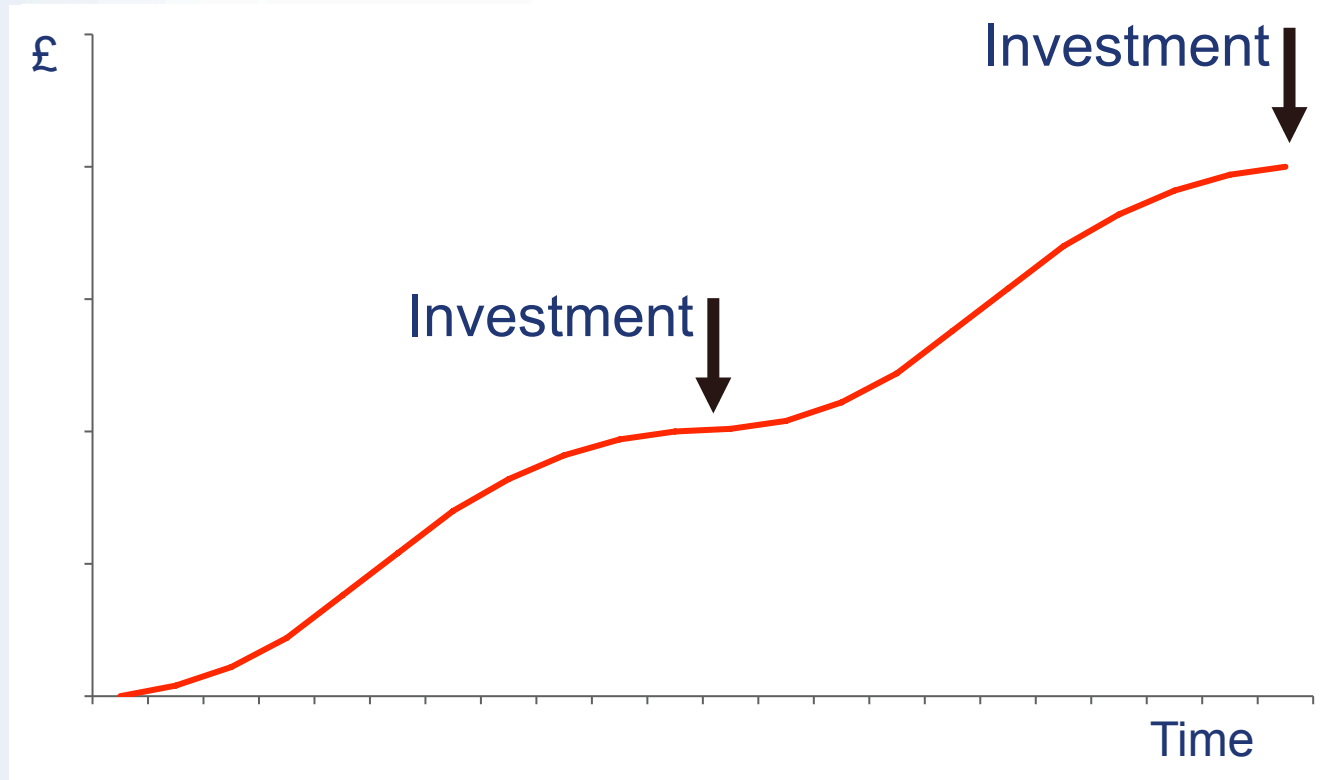
The refreshingly different approach to selling your company



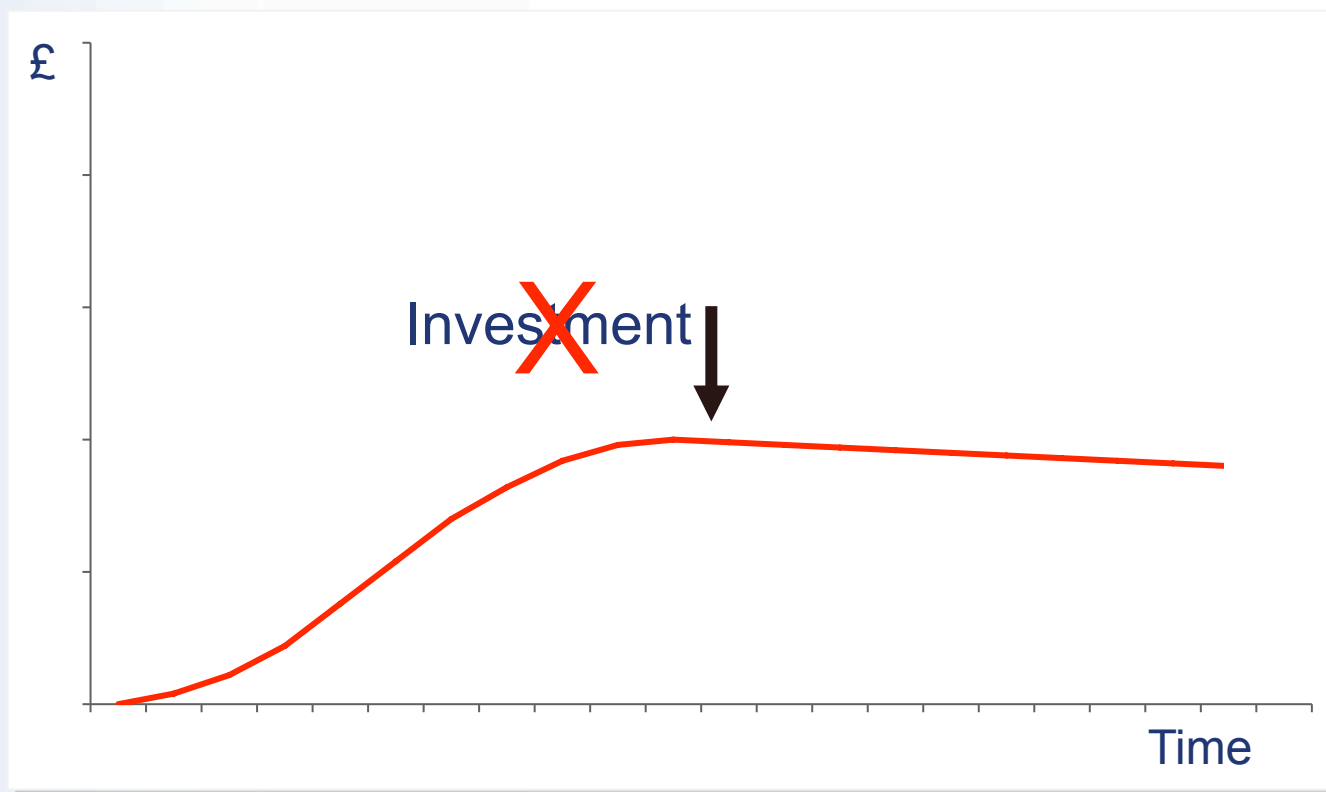
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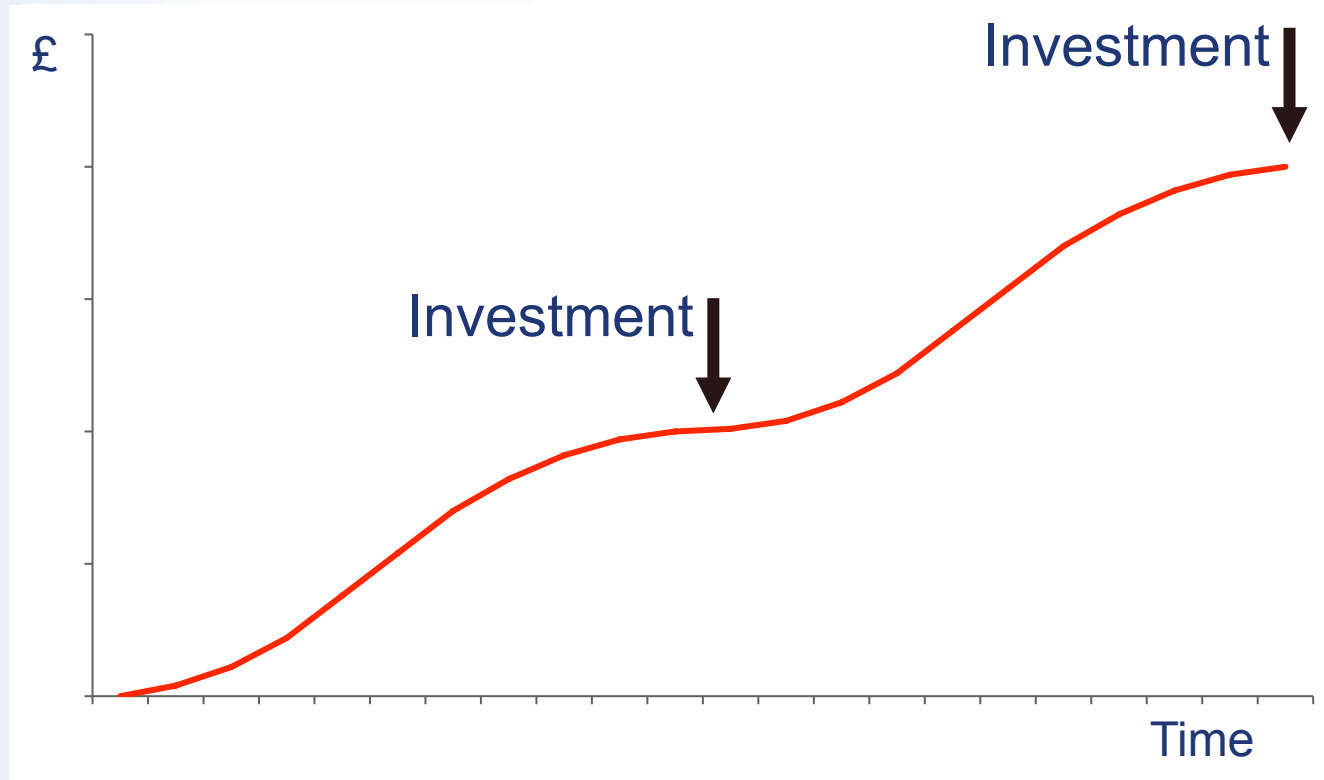
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The refreshingly different approach to selling your company



The refreshingly different approach to selling your company



Motives for selling

People usually sell for 5 reasons

- Lifestyle change
- Entrepreneurs vs managers
- Time
- Co. growth
- Bank & invest

The refreshingly different approach to selling your company

4 keys to getting the best price

1. Avoid passivity at all costs

12

1

The refreshingly different approach to selling your company

4 keys to getting the best price

1. Avoid passivity at all costs

12

120-250

1

4 keys to getting the best price

1

1. Avoid passivity at all costs

- Lack of experience usually results in passivity
- The best buyers are rarely looking to purchase

4 keys to getting the best price

1

1. Avoid passivity at all costs

- international
- selling complementary products/services
- has the same customer base as you
- very successful
- very profitable
- an acquisition may not be on the agenda

4 keys to getting the best price

2. Remember – motives not multiples

1. Asset/Book Value
2. Liquidation Value
3. Replacement Value
4. Current Market Value
5. Multiple of Earnings
6. Trading Multiples
7. Discounted Cash Flow
8. VC/Private Equity Modeling
9. Option Theory Valuation

2

The refreshingly different approach to selling your company

Ave Op Profit	350,000
Salary	95,000
Pension	30,000
Car / Travel	25,000
Exc Losses	15,000
Directors Whims	10,000
Less New GM	- 65,000
Less Exc Profits	- 20,000
Total	440,000
After Corp Tax	335,000
PE Ratio	7
Value	2,432,000

The refreshingly different approach to selling your company

4 keys to getting the best price

2. Remember – motives not multiples

- There are many motives to purchase

2

4 keys to getting the best price

2

2. Remember – motives not multiples

1. your client base
2. potential growth
3. globalization / regionalization
4. the ability to generate cash
5. developed products / services
6. patents & IPR
7. operational or financial synergies
8. a skilled workforce
9. Dependable income streams
10. profitability / return on investment

4 keys to getting the best price

2. Consistently see 2.5 X

<u>Name</u>	<u>Low Offer</u>	<u>Sale Price</u>
Energy Efficiency	£1.0M	£4.0M
Waste Management	£3.0M	£19.1M
Translation Company	£0.25M	£1.05M
Travel Management	£2.97M	£7.0M
Events Management	£0.95M	£3.55M
Media Company	£1.2M	£3.7M
IT Development Integration	£5.0M	£14.1M

8 keys to getting the best price

3. Choice is king

Choice impacts

- The speed of the deal
- The terms of the deal
- The price

3

4 keys to getting the best price

4

4. Sell the future

- Nobody buys a company's history
- 5/8 acquisition musts
- Always produce a 'step change' business plan

BUSINESS PLAN Year End:

	Last Yr	This Yr	Yr 1	Yr 2	Yr 3
NET SALES	3006	3,686	4,642	6,469	8,926
COST OF SALES		1,635	2,178	3,074	4,239
GROSS PROFIT	1923.84	2,052	2,464	3,395	4,687
OVERHEADS	1104	1,394	1,803	1,749	1,947
PROFIT	819.84	658	861	1,645	2,740

Sales Development %	22.6%	25.9%	39.3%	38.0%
Gross Profit as % of Net Sales	55.7%	53.1%	52.5%	52.5%
Operating Profit as % of Net Sales	17.8%	18.5%	25.4%	30.7%

WORKING SHEET	BUSINESS PLAN Year End:				
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P&L POSITION	Last Yr	This Yr	Yr 1	Yr 2	Yr 3
%					
NET SALES					
Current business	3,006	3,105	3,312	3,866	4,743
New / Enhanced Products & Services		571	1,035	1,150	3,698
		0	0	0	0
Increased Exports		10	61	88	160
Access to buyers distribution		0	143	182	208
Representing buyers products		0	91	104	117
		0	0	0	0
TOTAL NET SALES	3,006	3,686	4,642	6,469	8,926
COST OF SALES					
Personnel Costs - Direct		1,088	1,403	1,962	2,717
Material Costs		547	775	1,112	1,522
TOTAL COST OF SALES		1,635	2,178	3,074	4,239
GROSS PROFIT MARGIN	64%	55.7%	53.1%	52.5%	52.5%
GROSS PROFIT AFFECT	1,924	2,052	2,464	3,395	4,687
OVERHEADS					
Personnel Costs - Indirect		295	310	325	370
Personnel Costs - Consultancy		61	70	75	80
Utilities & Services		253	276	295	312
Premises Costs		261	287	310	345
Stationary & Office Supplies		55	67	86	111
Vehicle Exp		31	44	47	49
Finance & Bank Chrgs		197	283	310	330
Misc Exp		43	69	103	151
Management Charge to		682	682	682	682
TOTAL OVERHEADS	1,104	1,878	2,087	2,233	2,431
Profit (2 x companies)		173	377	1,161	2,256
Addback Holding company		484	484	484	484
PROFIT	820	658	861	1,645	2,740
% Net Turnover	27.3%	17.8%	18.5%	25.4%	30.7%

This Yr		Yr 1		Yr 2		Yr 3	
3,450	90%	3,680	90%	4,550	85%	5,580	85%
571	100%	1,150	90%	2,620	85%	4,350	85%
10	100%	68	90%	110	80%	200	80%
	65%	220	65%	280	65%	320	65%
	65%	140	65%	160	65%	180	65%
	100%		100%		100%		100%

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4 keys to getting the best price

4

4. Sell the future

- This is totally unreasonable
- Choice is the key
- 5/8 Acquisition musts
- Inevitably neglected
- Enables first offer rejection

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Now that we have at least partially recovered from the events of Friday 8th of October Joanne, John and myself wish to sincerely thank you for the invaluable contribution that you made to the successful disposal of SP Shutler Associates Ltd to ALcontrol UK Ltd.

We were particularly impressed at how you continued to argue in our best interests after the less experienced or tenacious would have considered that the best position had already been obtained. This clearly demonstrated the highest of professional standards.

I personally will never forget the hours that we spent together in meetings in Leicester and for the support that you provided during numerous telephone conversations.

Each of your colleagues was supremely proficient in their area of expertise and all played a significant part in the ultimate success of the sale process. We would ask that you pass on our sincere thanks to Luc, Steve and all concerned.

The shareholders of SP Shutler Associates Ltd are unanimous in having no hesitation in recommending your services should suitable opportunities arise.

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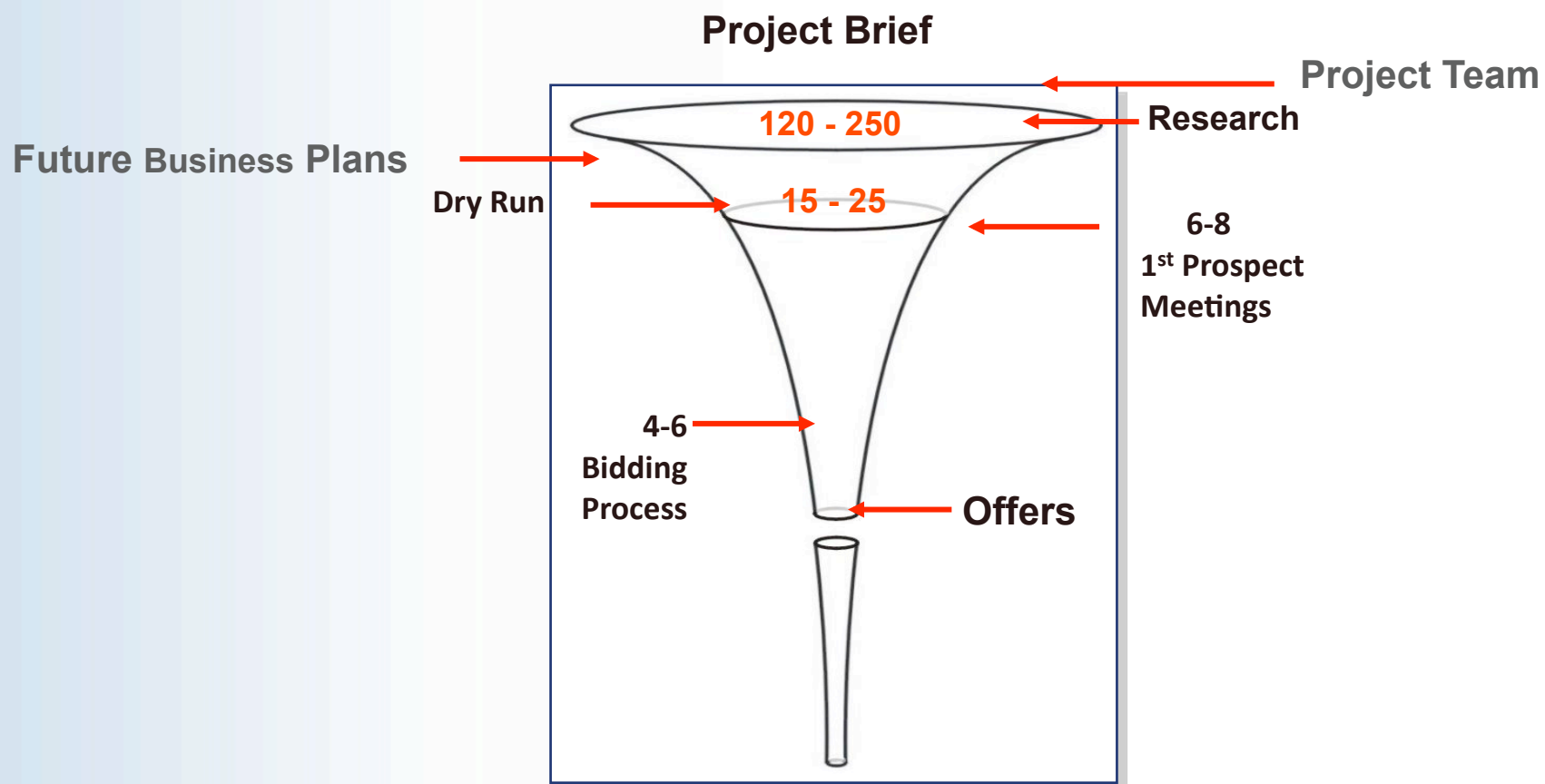
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Five step BCMS sales process

1. Project Brief
2. Research
3. Prospect generation
4. Prospect meetings & bidding
5. Due diligence and legals

The refreshingly different approach to selling your company

Five step sales process



BCMS Corporate

- Selling your business need not be difficult
- Avoid passivity at all costs
- The best buyers are rarely buying
- Look for many motivations for purchase
- Choice is not a luxury
- Sell the future
- Advisor with resource
- Good success

The refreshingly different approach to selling your company

*Coutts International Bank
Family Business of the Year – National Winner*

*After 12 months intense scrutiny
by the world's most prestigious
bank BCMS were named as outright
winners of this coveted award*

The award was given on the basis of:

- *The company's unique business model*
- *The company's financial strength and competence*
- *The company's excellent corporate governance*
- *The company's strong commitment to philanthropy*





“Selling your business for its maximum value”

Contact BCMS on 01635 299616 or email malcolm.murray@bcmscorporate.com

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