

Owners can position their businesses for growth, acquisition

Selling your company may not be on the foreseeable horizon, but if you're thinking about it at all, there are a few things you should consider.

Carla Meine, former Tri-Citian and founder of O'Curran Teleservices, recently went through the process of selling her company to a private equity group. She shared her experiences recently with a group of local entrepreneurs at a Three Rivers Entrepreneurs Network meeting.

Meine grew the telemarketing company to more than 600 employees and \$23 million in annual business volume before closing the sale in March of 2007. The selling process took five years start to finish.

According to Meine: "Doing a few things right early on can ensure that



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when you are ready to exit your business, you will have a great experience." Here is her advice.

- ▶ Surround yourself with great people. It's true that people are the most important asset of your business. Always look for people with talent in areas where you lack expertise. Set clear expectations of your employees and hold them accountable. Use the philosophy of "expect more and you will get more; give more and you will get more."

- ▶ Invest in "best of breed" technology. Great people need the right tools to get the job done. Top-of-the-line technology will also help in selling your company. It makes that part of the negotiation a non-issue.

- ▶ Marketing, marketing, marketing. Do not underestimate the power of marketing to grow your business. You could have a great product, but if nobody knows about it, how can you sell it?

- ▶ Take steps now to sell your company in five years. Start having annual financial audits performed by an external firm. This will provide prospective buyers a sense of confidence in your finances. Then, do an internal audit of your company's hardware, software and human resources manuals. Mak-

ing sure that these items are well-documented increases the value of your business in the eyes of prospective buyers. Also, build a "case study" that documents how well your company is regarded by its customers. Numbers alone will not make the sale.

- ▶ Don't give up on growing your company during the sale. Until the buyer signs on the dotted line, nothing is final. If your company does not continue to perform well, the price will go down. Continue to run your company for growth, not to sell. And don't tell anyone about the sale unless they need to know; staff can become distracted and productivity will fall.

- ▶ Be prepared to walk away. If you get too tied up in the deal, the buyers could drag the process out and you

could end up with a lower price than was originally negotiated. If you are prepared to walk away, you maintain a stronger bargaining position.

- ▶ Find a good broker. Research brokerage groups, ask around and interview more than one. Understand upfront, the importance of this group. A broker will estimate your company's financial value, help you find potential buyers, and pitch your company to those buyers, which can improve your chances of making the sale.

To see slides of Meine's presentation, go to www.pnl.gov/edo.

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