

How Do You Find Hungry Buyers For Your Business—Business Blueprint Interview



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Intro:

Kerry Boulton is Australia's most respected exit strategy advisor and CEO of the Exit Strategy Group. Welcome to this week's segment.

Main Segment:

Dale Beamont:

All right, now we're going to dive into the million-dollar question, the question that everyone wants to know: how do you find hungry buyers for your business?

Kerry Boulton:

Well, this comes down to thinking and thinking strategically. That word I keep mentioning. The most money that you're going to get will be if you can make a sale on a strategic basis, to say, a larger business that will be able to take yours, get the customer lists and the business that you're currently doing, and be able to cross-sell and upsell to that client base. So, what you have to do is sit down and really brainstorm who—what other businesses might be complementary to my business, not necessarily a competitor. Obviously, that is a strategy; a competitor might buy your business, but who might be a complementary business?

As an example, let's take a small cleaning business as a guide. When I say small cleaning business, I mean one with a turnover of maybe \$700,000 to \$800,000—quite a reasonable size. Who else might want to talk to the clients that the cleaning business has and offer complementary services? It could be a security company, or a security maintenance company, or gutter cleaning. Think about complementary services they could offer. So, your business, your clients, and who else wants to sell to those clients—not necessarily the same product, but a completely different product that they already have, and they want to sell their products to your target market.

Dale Beamont:

Interesting. That's what you mean by a strategic buyout?

Kerry Boulton:

Correct.

Dale Beamont:

Anything else you want to tell us about strategic buyouts?

Kerry Boulton:

Well, you could be in an industry where there's what's called an industry roll-up. That's another way. This is where someone will buy, say, ten accounting firms and then sell them to an even bigger company, or possibly a listed company or something like that. You might have some big players looking to get a larger market share, so they go out and buy up all the smaller businesses. Those sorts of business transactions are often quite lucrative. So that's called a roll-up.

Dale Beamont:

Right, industry jargon.

Kerry Boulton:

Yes, strategic buyers and roll-ups.

Dale Beamont:

Great. If you don't have a copy of Kerry's new book, ***The Uncensored Truth About Exit Strategy***, please visit freeexitstrategybook.com.au.