

Enhancing Business Value: Innovation, Iteration, And Improvement



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

KERRY BOULTON: This is the I part of our exit strategy, and I is for innovation, iteration and improvement in your business, and it's the third step in the four step exit process. So innovation, of course, means being able to renew and present your business in the greatest possible life for any potential buyer, any innovations that you make, you'll want to iterate on and improve on as time goes on.

They're fantastically interesting words, and I hope that you can understand how you can apply them to the exit planning process, and it requires thinking along a different perspective. What I'm really talking about is, how do you make your business present in the best possible light to any potential buyer?

And I'm talking about thinking strategically who might buy your business and what improvements could they possibly make to be able to extract the greatest value to them from the business, which requires you to put on a different hat. I'm talking about forgetting the multiples for financial multiples for valuation, but looking at the future value of the business and what the future income streams could be to a prospective buyer, and thinking really hard about how you can communicate those and, of course, any of the risks that might be involved.

So creating buyer value and creating future value for your potential buyer. That's really, really important. When you think about it a little more, you can see when a business makes the effort to provide the buyer with a different and more positive and more profitable future for its acquisition, then the likelihood of getting higher price and simply a multiple of earnings is much, much greater, and there are lots and lots of possibilities.

You can think of a buyer who can get more from the existing business than you can, and perhaps a buyer who could utilize the assets and capabilities within a much larger business, and they have a way of being able to exploit the underlying assets and capabilities much more than you can as a seller. These are some of the areas we'd like to look at a little bit more closely.

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