



M&A Advisory and Exit Strategy Planning
Firm for the Middle Market

Mid-Market Matters:

Messages from the front line of Entrepreneurs working on Exits

Nick Barrow, SVP at Frontline Capital Partners shares a recent example of a successful Entrepreneur who allowed the optimal timing to sell his business pass him by

“We had been in discussions with a potential client for a year or two, he had a terrific business, very profitable and operating in a very attractive niche within his vertical. His company was well established with a great reputation and he was reaping the reward of a lot of dedication to building a good operational team to run the business on a day to day basis allowing him the freedom to enjoy the benefits of his hard work.

The business was steadily growing and the owner felt this would continue for some time to come, we talked a lot about being proactive and planning his ideal exit, about optimizing the timing of his exit and about how best to ensure that his team were going to be joining a company that would appreciate them and the culture he’d helped to create. We explained how we would target only companies who would put the right deal structure in place to meet his goals, who could execute a deal quickly and about how we could ensure that there was a strong cultural fit between his people and their new employers. We also cautioned him that sometimes, a business can slow down for reasons completely out of the owners control and that mistiming an exit is the biggest exit mistake entrepreneurs make.

We were ready to start approaching buyers and the owner wanted to wait one more quarter, and then one more quarter after that. The business stopped growing and it started to dip. Now, we have a business that is static, 6 months ago it was growing, we’ll still get a deal done, but we don’t yet know what impact that delay in going to market will have on the value of the company”

Optimizing the timing of your exit is absolutely vital to maximizing the value of your exit – it is critical.

Mistiming an exit can cost an owner a lot of money and put the future of the employees at risk. You always want to be mindful of how factors outside of your control can diminish the value of your business and how sometimes, the ideal time to exit your business is by proactively identifying the right buyer and not when a buyer feels the time is right to approach you – being proactive about your exit will increase the value of the business.

All businesses experience an exit one way or the other, yet 85% of businesses have no formal exit plan. It’s always better to exit on your own terms and on your own timescale, especially as in a lot of cases between 70% and 90% of an owners net worth is tied up in their private company ownership –maximizing that value is critical.

That is where Frontline can help. We’ve been there, we’re Entrepreneurs ourselves, business owners who’ve exited businesses successfully and helped others to do so. We know the value of your time as well as the value of having the right team in your corner to help you visualize, plan and execute your Exit Strategy.

Our initial goal with this communication is to start a dialog with you, 15 minutes of your time to understand your goals, where you are in your Exit Planning process and how Frontline could assist in making those goals a reality on a timeline that meets your expectations.

When you’re ready to take that step, reach out to me and let’s schedule that first 15 minute call.

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