



# CANADA - UNITED KINGDOM Chamber of Commerce Over 93 YEARS OF NETWORKING

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## Increasing the Value of a Business for Sale

Our client, the owner of a small IT support business, was more of a technical guru than a business person. It wasn't until he contemplated selling the business that he realised how desirable his contracts were to other IT support companies eager to expand. We knew we could help him to achieve offers far beyond his original expectation. Our key tasks were to value the business, implement a marketing strategy that demonstrated this value to prospective buyers, and find him a buyer.

### **Valuation report**

First, we analysed the current business situation and prepared a valuation report. The revenue from contracted maintenance and support services was key, as the contracts represented a tangible revenue stream for the future. We advised our client on the type of offer and deal structure he could expect. We then prepared an extensive sales memo that

highlighted all the company's selling points and details buyers would want to know about the existing contracts, such as duration, notice period and key terms of the services offered. We also looked at practical ways of transferring the client relationships and ongoing business to the buyer after completion.

### **Clearly presented package**

Clarity of information is key to driving a prospective buyer to make a decision. If the description of what is being bought is not clear and buyers' questions are not answered quickly, the decision will be negative. Working with the owner, we put together a clearly presented package that could be provided to buyers as soon as they asked the questions. We then started our marketing campaign of direct approaches to potential strategic buyers, consultation with our network of advisers

and database of buyers, and advertising. After qualifying the buyers in terms of their intentions, means of funding and acquisition search criteria, we arranged meetings and attended them with the client.

Within 2 months we had presented the business to over fifty interested parties. We received eight offers, the best of which exceeded the owner's expectation by almost 100%. However, in view of this success, the client decided to build his company further in order to achieve a significantly higher value in the future.

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