



**evolution complete business sales**

SELLING YOUR BUSINESS FOR ALL IT'S WORTH

**fit 4 sale** A comprehensive business sale service

# Welcome

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Dear Fellow Business Owner,

Having been responsible for the sale of several hundred businesses since 2002, I've learnt that selling a business is not about products and processes – it's about people and their life goals. It's about helping business owners finish one chapter in their life and start a new one. Imagine a life when you can choose not to work and when you do, it's something you really want to do. A life where there is sufficient time to do the things you've always wanted to, but never had the time.

When I formed Evolution it was to create a business advisory service, providing a highly professional yet personal service with straightforward pragmatic advice; where Clients were more than just another "project." Our team all share the same business ethos of commitment, quality and integrity. So when you select us as your Business Sales Adviser your interests will be represented by a dedicated team with a single aim – to make sure your business is sold for its maximum value on the best terms for you.

A stylized, handwritten signature in white ink on a dark blue background. The signature is fluid and cursive, with a prominent vertical stroke on the left side.

**Rob Goddard (Managing Director)**

*"We would like to sincerely thank you for your support. We have achieved an exit price that we are happy with and this is worth a great deal to us and we know that it could not have been achieved without you."*

**(Mark and Corita Goldhawk, Goldhawk Associates)**

## Professional advice from experienced advisers

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With many years of successful sales behind us, we've worked with thousands of business owners and shareholders. As a result we have a deep understanding of the issues and empathise with the concerns you may have when deciding to sell your business.

That's why we spend time with you to discuss your specific circumstances, your reasons for selling and the impact the sale will have on your life. For a recent Construction Client, who was considering retirement, the offer we negotiated equated to a further 14 years working in the business which would have limited his plans for a retirement spent travelling the world.

We will give you candid advice on the saleability and value of your business, ensuring that both you and your business are fully prepared and ready for sale. We will provide all the support you need from the outset right through to completion.

Our aim is clear - to help you sell your business for the best price and on the best terms.

*“Evolution CBS provide a great value for money ‘hands on’ business service to owner-managed companies and private clients looking to exit their businesses.”*

**(Jim Blake, Accountant)**



# When is the right time to sell?

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Choosing the best time to sell a business is complex; a mixture of personal and business considerations.

“Sellers Remorse” is the most common reason a sale collapses and it happens because selling a business is so much more than a financial transaction. Therefore, on a personal level, it’s important to commit to making the change and be able to detach yourself from the business you created and worked in.

When considering the best time from a business perspective, many owners wait until their business reaches peak performance then consider selling it. This is not good news for potential acquirers, who are looking for significant future growth areas, without which they will inevitably make a lower valuation of your business.

We will help you make a well-informed decision as to the optimum time to sell your business, suggest a realistic value and advise you on the best and most tax-efficient deal structure to meet your personal and business objectives.

*“We are very pleased with Evolution and the service you provided.”*

**(Aneesa Verjee-Lorenz, Director PharmaQuest Ltd)**

## How can you attract a premium price?

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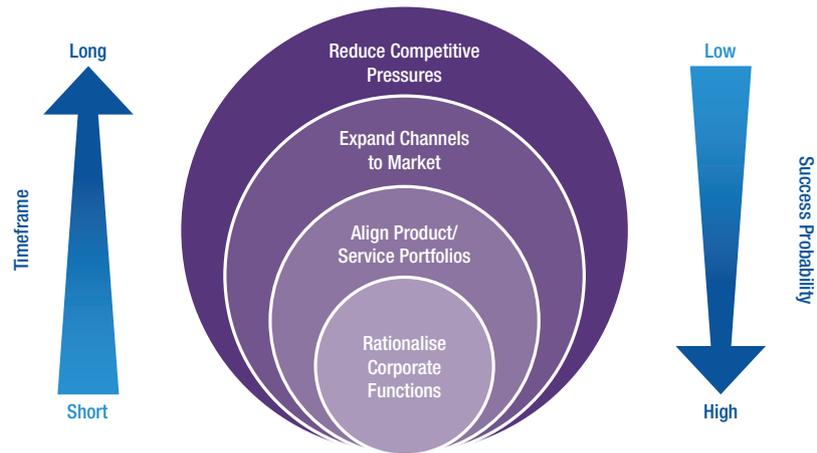
Every business owner wants to know how much the business will sell for. There are standard formulae for calculating the sale price for a business and anyone can use them but they are all based purely on financial performance. However, the market value of your business is so much more than its past financial performance. Acquirers purchase for many other reasons such as increasing their client base, long term contracts, diversification of products and services or geographical expansion. An Environmental sector client of ours recently received an offer of £30.1m on their business which generates £500k of net profit – nearly 61 years of company earnings!

The true value of your business depends on what a new owner would do with it and how financial and operational synergies can be achieved by creating one company from two. This will vary widely between buyers. As an example, a recent Equipment Distributor client accepted an offer that translated into a multiple of 14 times net profit – very high for the type of business. Using a traditional pricing method, the buyer's return on investment would not appear to be a wonderful deal! However, the buyer knew that his post-acquisition strategy, which was based on operational synergies, would reduce ROI to under 3 years, making it an extremely good investment for them too.

To achieve a premium price it's essential to attract many strategic buyers and create a competitive market for your business. Its full strategic value needs to be fully represented and promoted. For example, intangible assets, such as Intellectual Property or Key Staff, should be protected as they can be a high priority for a buyer. We will help you identify those hidden assets and show you how you can "fine-tune" your business, aligning it to key acquisition criteria and positioning it for a successful sale. One of our clients, in the Translation and Linguistics sector, told us to stop finding buyers after meeting the 14th potential acquirer! They eventually received 6 years earnings on completion and were only required to stay on for a month to ensure a smooth transition.

# What do buyers look for?

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Foremost in a buyer's mind is "How can I make money by buying this business and how long will that take – where are the growth opportunities?" If buyers can calculate their return on investment with confidence, they will offer the best price. They need to see how they can grow profits, whether that's from cost rationalisation, increasing sales, increasing the client base or range, reducing operational costs, extending their product/service range or by reducing competitive pressures on their business.

*"I first saw Evolution CBS 'in action' at one of their Masterclasses and was greatly impressed by their breadth of knowledge and down to earth attitude."*

**(Phil Hayes, CEO, Management Futures)**

# How will Evolution sell your business?

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1. **Preparation** - The sale process begins with an in-depth review of your business and your personal objectives and timescales. This provides the basis for the marketing documentation and the synergistic profiling of potential acquirers. We will also prepare you - coaching you through a typical negotiation scenario so that you know what to expect and, together, we present your company with confidence.
2. **Research** - We search our international acquirer database to create a list of companies from the UK and abroad with a history of buying in your sector. Having a strong pool of strategic buyers creates a competitive environment. We will typically identify 80-100 potential strategic buyers for your business, which means that we leave no stone unturned in seeking the best price for your business.
3. **Marketing** - Proactive marketing of your business will attract interested parties to the negotiating table. Our Business Development Team, under the management of an Account Director, will approach every prospect company to explore potential interest and synergistic fit. They will make at least 1,000 prospecting calls on your behalf, under confidentiality, before conducting detailed telephone interviews to explore potential interest, fit and financial situation prior to arranging a meeting between you and the buyer. We usually expect to attract 6 potential buyers to meet with you, generating typically 3 offers.
4. **Negotiation** - Selling a business is an emotional decision whereas buying is purely commercial. Your buyer will probably have bought many businesses and will be a hardened negotiator. We organise and chair every negotiation meeting, promoting your business and its strategic value and also providing an opportunity for you to evaluate the buyer. If your business and personal values align it will improve offer values and success rates. From these meetings offers will be generated and they will come in different shapes and sizes; some will provide all monies.

on completion, others a proportion on completion and the remainder according to agreed terms. We will examine each offer with you and respond with commercial reasons for the buyer to improve their offer so that we achieve not only the best price but the best terms for you; over the last two years no transaction has had an “earn-out” attached and our Clients received the full consideration on completion.

5. **Completion** - Once you accept an offer, we will ensure that the legal and financial formalities are conducted without undue delay. We will work closely with you and with your advisers, guiding the process through due diligence, contracts and payment of funds. Our job isn't over until the funds are safely in your bank account.

*“...a great relief to both Heather and I. Thank you for selling the business for us and it has been a comfort and a pleasure dealing with you.”*  
**(Anthony Record, CEO, Oswald Record Group)**



## Helping you prepare

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Preparation is the key to unlocking the potential in your business. To find out what you can do to prepare for sale we offer:

**Free Masterclasses for business owners** - These are 3 hour events where we and one or two of our professional partners provide helpful information about what's involved in selling a business from many different perspectives. The response from delegates has always been tremendous and they have all gained valuable insights into what's involved and how they can prepare for sale.

**Our blog** - [www.evolutioncbs.co.uk/blog](http://www.evolutioncbs.co.uk/blog) has relevant articles from us and our partners covering a wide range of subjects from management succession planning through to tax and personal wealth planning.

**Our website** - has downloadable white papers and case studies that provide advice on a range of related topics.

**Free business consultations** - where you can get straightforward advice on whether your business is ready for sale and discuss the options available to you. You will get an honest, pragmatic, professional response with absolutely no obligation.



# What our Clients say about us

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Selling a business is something that most people only do once in their lifetime. We are, therefore, grateful to our clients for their testimonials:

*“Evolution CBS gave me invaluable advice when I sold Canby, and were able to get a substantially increased offer from the original bidder. They also gave me peace of mind that I achieved the highest possible market value.”* **(David Gould, CEO Canby Limited)**

*“...a great relief to both Heather and I. Thank you for selling the business for us and it has been a comfort and a pleasure dealing with you.”* **(Anthony Record, CEO, Oswald Record Group)**

*“We are very pleased with Evolution and the service you provided and will keep you in mind should we ever need your services in the future.”* **(Aneesa Verjee-Lorenz, MSc, PharmaQuest Limited)**

*“From our very first meeting, it came across that we were dealing with people who know their profession well and explained it in a very informal and comfortable way.”*  
**(Anthony Browne, Director, St John’s Wood Interiors Ltd)**

*“An experienced, knowledgeable, trusted business adviser and a go-to expert if you are selling your business.”* **(Ian Brent, Partner, Fladgate LLP)**

*“We would like to sincerely thank you for your support. We have achieved an exit price that we are happy with and this is worth a great deal to us and we know that it could not have been achieved without you.”* **(Mark and Corita Goldhawk, Goldhawk Associates)**

# Our Fit4 Suite of Services

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## fit 4 sale

A comprehensive business sale service, using a process developed and refined from our many years experience in business sales.

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## fit 4 growth

For businesses that need to grow before going to market Fit4 Growth is a highly structured strategic growth to exit programme that improves saleability and value.

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## fit 4 investment

For businesses seeking external growth funding, Fit4 Investment enables business owners to create the structure, proposal and pitch presentation needed to successfully win investment.



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