

For Sellers, There's No Time Like the Present?

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You may be at the peak of your career as a printing company owner and still years away from selling what you've created. Nevertheless, you need to prepare for that step while time is still on your side. By a nice coincidence, the things that make good business sense to do for your company now are the same things that will help to maximize its value when you are finally ready to sell it. Here's a suggested to-do list:

- **Bring on the young blood.** In middle age and afterwards, we can lose sight of the fact that the way we are accustomed to doing things isn't necessarily the best way to get them done. A lesson I learned from my days as an owner is that the fresh perspective of younger people keeps a business forward-looking and open to new ideas. If your management structure is turning a bit gray, think about recruiting talented folks from the generation on the way up. Buyers will appreciate having them on the team as much as you do.
- **Get closer to your top accounts.** This is about ensuring that your customers are sourcing as much from you as you can provide them; and about making your company a business asset they simply cannot afford to lose. To increase share-of-customer and cement loyalty, drill down deeper into your top accounts. Ask questions. Find out what makes their enterprises tick and how you can help relieve the pain points they're experiencing. Their preference for you will grow stronger, and so will the attractiveness of your book of business to buyers.
- **Build sales.** That's the number one priority for every business, but in the printing industry, traditional sales techniques don't work as effectively as they once did. Today, organic growth is hard. This means that your best strategy for gaining sales may be to buy them by acquiring a complementary book of business from another company. Added to your existing portfolio, these new accounts will raise your own profile as an acquisition candidate when that day arrives.
- **Add capability**, but with care. In most cases, a printing company with a specialty probably will command a better price than a printing company without one. Adding a new production capability is a good investment both for that reason and for the sake of your company's present performance. But, make sure the specialty you have in mind will justify the investment and that the field hasn't become overcrowded. Your sales force and the younger generation on staff can help point out these new directions, and your industry trade association can help as well.
- **Do the overdue.** Anything that could get in the way of a sale later on is a good thing to get out of the way now. Clean up the books and the balance sheet. If there is debt, retire it or try to consolidate it at a lower rate. Take a hard look at equipment, and sell the underutilized "dinosaurs." Reclaim the space for inventory or, perhaps, for an ancillary activity such as a kitting and fulfillment operation.

Sensible near-term fixes like these can have positive long-term consequences. Managing your company with both time frames in mind lets you step away from ownership with the full measure of reward that every owner of a well managed business deserves.

New Direction Partners is an investment banking and financial advisory services formed by Peter Schaefer, Paul Reilly, Jim Russell and Tom Williams to serve the printing and related industries. Services include merger advisory services through the representation of selling shareholders as well as buy side representation, valuation services, financing and refinancing efforts, turnaround and restructuring services, and temporary/interim management consulting. To learn more about New Direction Partners, visit New Direction Partners' website at www.newdirectionpartners.com.