



Deal Stories

REALITIES OF BUYING AND SELLING

Winter 2023

The Confident Choice

For more than 110 years, Calhoun Companies has been the trusted choice to connect buyers and sellers of businesses and guide them both through the sales process. We know selling your business is a big decision, and we understand that you want to leave your legacy in the right hands.

In this booklet, you'll find the stories of business owners like yourself. We hope they give you confidence in the sales process, and inspire you to see the possibilities that come with selling your business.

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.For many business owners, building up their business has been their life's work. When it comes time to sell, they can require that the business be sold to a buyer that will continue its legacy.



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THE MOST IMPORTANT THING IS OFTEN JUST TO GET THE BUSINESS ON THE MARKET

GETTING ON THE MARKET

Like many business owners, Mike and Kathy Wolf of Midwest Automatic Products, Inc. decided it was time to retire and began looking into selling their business. The company had been in operation for more than 40 years – half of that under their leadership. To start to sales process, Mike and Kathy reached out to Calhoun Companies agent Bob Cardinal. He had previously spoken with them more than a year prior, but they were not quite ready to sell at that point in time.

The business proved to be in good shape for a sale. The financials were in order and, even better, there was excellent inventory that would be included in the deal, along with real estate. With the asking

price in place, Bob helped Mike and Kathy take the most important step – listing the business.

“While its important to do the legwork and preparation for a sale, the most important thing is to get the business on the market,” says Cardinal. “Once the business is on the market, interested buyers can start finding it organically, which can often lead to the best offers.”

In the case of Midwest Automatic Products, simply listing the business led to two suitors touring the facilities within one week of the company hitting the market. One of them proved to be the perfect buyer for the company, and the deal was done.



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**TURNKEY COMPANIES ARE
VERY APPEALING TO
POTENTIAL BUYERS**

TIMING IS EVERYTHING

Greg and Julie Tweed, owners of Always There Staffing, were not quite ready to sell their business when they first talked with Calhoun Companies agent Jim Underwood. That all changed a year later. When one of the owners experienced a serious health concern, they decided it was time to retire and spend more time with their family. Luckily, Julie kept Jim's number and reached out to him to begin the sales process.

Even though they were stepping away from their business, Greg and Julie wanted to ensure that their legacy would continue. They asked Jim to find a buyer that would keep their current staff in place and continue to run the business as is. It wasn't a hard ask since the business was already in fantastic shape and running smoothly. It had a solid team as well as strong financials and infrastructure.

"When a business is successful, it's not necessarily hard to find a buyer who will keep everything in

place," explains Jim. "Many buyers are looking for turnkey companies and aren't going to alter a winning formula."

Unsurprisingly, Always There Staffing received strong interest from the market. Inquiries poured in from around the U.S.

"Even after screening the inquiries, there were several qualified buyers to bring to the table," says Jim. "It seemed like we were doing conference calls with prospects every evening since we couldn't do them during normal business hours due to confidentiality."

Greg and Julie ultimately ended up with five offers, some even coming in over their asking price. While it led to a bit of a challenge selecting which offer to commit to, ultimately, Greg and Julie were able to walk away knowing their business was in good hands and their legacy was secure.



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GOOD THINGS COME TO THOSE WHO WAIT - SOMETIME YOU JUST HAVE TO BE PATIENT

PERSISTANCE PAYS OFF

Sometimes deals can take a lot of time and patience to put together. That was the case for Northland Machine, Inc. Both the buyer and seller were determined to come to an agreement, and that's where Calhoun Companies was able to help.

"Even when both parties are invested in making a deal happen, it can still take time," explains Calhoun Companies agent Bob Cardinal. "Our role is to help our client understand the realities of the market and ensure that both the buyer and seller are on the same page and have realistic expectations."

Originally, the owner of Northland Machine, Inc. was determined to sell his business for a premium price. While the business did have

years of success, solid financials, and real estate included in the sale, the asking price was too high for the market conditions and the location of the company. It took time and patience for the seller to realize the need to lower the price of his company in order to sell it and move on to retirement.

Luckily, the interested buyer proved to be as persistent as the seller. Having experience working for a similar company, they were determined to purchase Northland Machine, Inc. and finally become a business owner.

After 18 months of negotiations, both buyer and seller were able to come to an agreement. It just goes to show that good things come to those who wait.



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YOU MAY NEED TO ADJUST PRICING IN ORDER TO FACILITATE A FASTER SALE

SELLING A LEGACY

Business owners can be reluctant to truly step away from their companies due to a concern for both their legacy and the longevity of their business. In many cases, building up their business has been their life's work. Stepping away and trusting a stranger to treat their business with the same respect is a lot to ask. That was the case for Tom and Heidi Johnson, owners of Johnson & Sons Florist. The company had been in the family for more than 80 years, but the time had come to sell it and move on. They did have one requirement however – the business needed to be sold to a buyer that would help continue its legacy.

After deciding to sell their business, Tom and Heidi began to look for a business broker that could make them feel like they were in good hands. A colleague of theirs had recently tried to sell a business and had a terrible experience, so any broker they chose had a lot to live up to. After finding Calhoun Companies online while looking for information on valuations, they were connected with Shaun Jackson.

"After meeting him in person, we knew we were in great hands," says Tom. "He was amazing, even answering messages in the middle of the night from our buyer who was in a different time zone. He made our sale happen by keeping everyone on track with his knowledge and great personality."

The listing came together easily. The financials were in order and there was enough infrastructure to command a premium price, which put the Johnson & Sons Florist in an ideal place to begin the sales process. And, when a synergistic buyer expressed interest in the business, Shaun Jackson was there to help guide the entire process.

John P., the buyer, was impressed by his commitment, enthusing, "He is truly one of the most responsive and professional brokers I've ever worked with. A lot of agents will respond when it's convenient, but Shaun was actively engaged the entire time and put his clients' needs first. As a buyer, I'm always surprised by how many sellers' agents are slow to reply to my inquiries. Shaun didn't miss a beat and that's a major reason why we ended up acquiring his client's business."

The relationship and trust that developed between Jackson, the buyer, and the seller, kept the process moving smoothly. At the end, everyone felt satisfied with the results of the deal. The buyer, John, is the proud owner of a successful company. And the sellers, Tom and Heidi have both time to enjoy traveling and visiting family and peace of mind knowing that Johnson & Sons Florist will continue to thrive.