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## 5 Action Items for Business Owners Considering a Sale

- 1. Assemble an Expert Transition Team:** Engaging financial, legal, tax, and M&A advisors early on can help guide the valuation, sale process, due diligence, negotiations, deal structure, and execution. *It's important to ensure that your legal counsel is familiar with M&A transactions and can provide objective advice.* A strong team can help maintain the confidential nature of the process, avoid disruptions, minimize stress, and ultimately optimize the outcome.
- 2. Prepare for the Rigors of Due Diligence:** Due diligence is a **rigorous yet necessary step in selling a business, where buyers thoroughly examine the company.** You should be ready with detailed documentation, including financial records, tax returns, legal documents, customer lists, and operational data. This **helps to verify the information shared during the initial sale stages and identify any potential risks or liabilities.** *To ensure a smooth process, you should anticipate the buyer's needs, organize documents in advance, and present financials in a clear, standardized format.* If the business is managed on a cash basis, consider switching to accrual basis accounting for a more accurate financial picture. This preparation not only builds credibility but also facilitates the buyer's assessment of the business's financial health.
- 3. Clearly Define Your Post-Sale Role:** **Defining your role post-sale is important for both you and the buyer.** It affects the deal structure, valuation, and transition of the business. *You may wish to continue as a consultant, employee, board member, or shareholder.* The terms of your involvement, such as duration, responsibilities, and compensation, should be agreed upon early on and then clearly outlined in the sale agreement to ensure a smooth transition and alignment of interests.
- 4. Showcase Growth Potential:** To attract buyers, **it's important to demonstrate the future growth potential of the business.** Providing detailed financial projections, outlining unit economics, and highlighting tailwinds and trends can help buyers understand the business's trajectory and potential for success. *You might also consider highlighting the management team, KPIs, diversification of revenue streams, any available market research, and strategies for innovation and expansion.*
- 5. Establish Your Minimum Sale Price:** Business valuation is a complex process. It's both an art and a science. You should establish a minimum price (or price range) before speaking with buyers to anchor negotiations and serve as your walk-away point. **Obtaining a professional valuation from a firm like Kroll or an M&A advisor / investment bank can be helpful;** however, *the sale price will ultimately be highly negotiated, and a valuation is only as good as the buyers it attracts.*

## About Paige Pond Partners

Founded by Cooper Foster, **Paige Pond Partners is a tight-knit team of entrepreneurs, investors, and experienced operators** committed to buying and operating one B2B software or tech-enabled services business. Our team brings decades of collective experience growing businesses through ownership and leadership transitions.

We share a passion for building high performing growth organizations, **with a proven track record of helping companies grow at 2-3x their industry average, increase customer retention rates, and improve profitability.**

### VALUE PROPOSITION

- **Long-term, growth-oriented business stewards**
- **Flexible partner**, offering owners fair terms and a post-deal role catered to their needs & interests
- **Built-in succession planning**, adding day-to-day leadership talent for transitioning owners

### ACQUISITION FOCUS

#### B2B Services

- EBITDA > \$1 million
- EBITDA margin > 15%
- Recurring revenue

#### Software / SaaS

- ARR\* > \$3 million
- GRR\* > 90%
- Cash flow positive



*My name is Cooper Foster. I have a deep respect for small business owners, having grown up in a 3<sup>rd</sup> generation, family-owned real estate appraisal and consulting business. I'm excited to partner with a passionate owner of a growing business, where I can help to guide the business towards a shared vision and continued success.*

*Before founding Paige Pond Partners, I advised multinational businesses at HSBC, collaborating with leadership teams to secure financing for growth and navigate business acquisitions. I bring leadership experience, a financial and operating skillset, and a passion for small business and building high-performing teams.*

*Read my [personal story](#) and visit my [LinkedIn](#) for more information.*

## How Does Paige Pond Partners Compare to Other Buyers?

Consideration	Paige Pond Partners	Private Equity Firms	Strategic Buyers
Deal Flexibility	Highly flexible deal terms, tailored to meet the seller's needs	Standardized terms, strict covenants, and performance milestones	Often less flexible, with a focus on strategic alignment
Company Legacy	Emphasis on <b>respecting the founder's legacy</b> and <b>preserving company culture</b>	Legacy and culture may be reshaped by new management practices	Company often becomes part of the larger organization, with potential changes to its original identity
Seller Involvement Post-Sale	Potential for ongoing involvement, depending on seller's interests; <b>work together with seller to design role</b>	Sellers typically face full exit, more discretion from buyer as to seller's alignment with strategic vision	Opportunities for the seller to remain may be limited and subject to the buyer's integration plan
Employee Impact	<b>Prioritizes retention and support of existing employees</b> , fostering continuity and stability	Potential for both job creation and cuts, depending on buyer's strategy; may bring in new management	Employee roles and job security may be affected by integration efforts
Operational Approach	Focus on <b>long-term, sustainable growth through operational improvements</b>	Maximization of short-term returns with a mix of cost-cutting, M&A, and operational improvements	Absorption of operations to realize synergies, often through cost-cutting and integration of products / services
Value Creation	Value creation through <b>hands-on management</b> and <b>leveraging the company's strengths</b>	Value creation through strategic investments in growth initiatives and talent; often pursuing acquisitions	Value creation by expanding product lines and enhancing technological capabilities; realizing synergies
Sources of Capital	<b>Team of seasoned entrepreneurs, operators, and investors</b> ; may use bank loans conservatively	Institutional investors (pension funds, insurance cos.); often maximize use of debt to boost returns	Strategic buyer's balance sheet, which may include cash reserves, debt, or stock
Investor Involvement	<b>Serve as board members</b> , provide <b>industry connections</b>	Institutional investors (LPs) not involved, GP manages operations	No investors, funded by the strategic buyer's own balance sheet