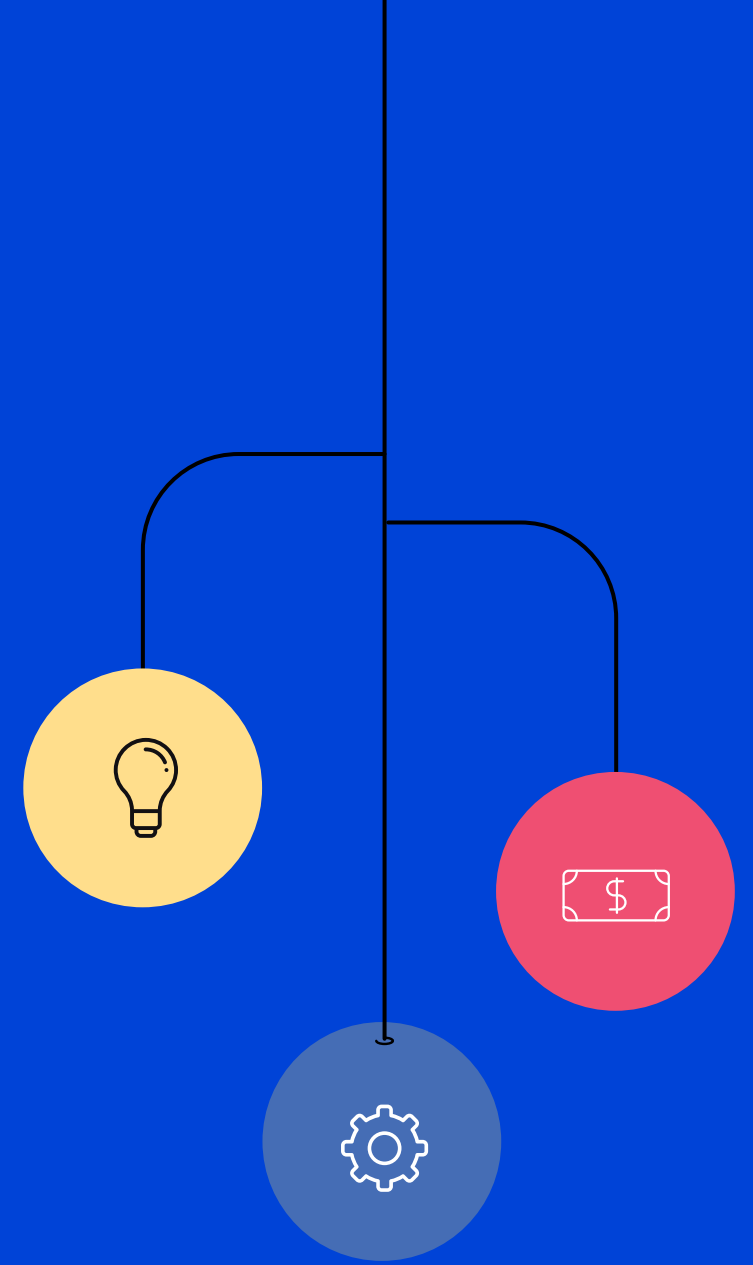


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# The 3 Types of Agency Buyers



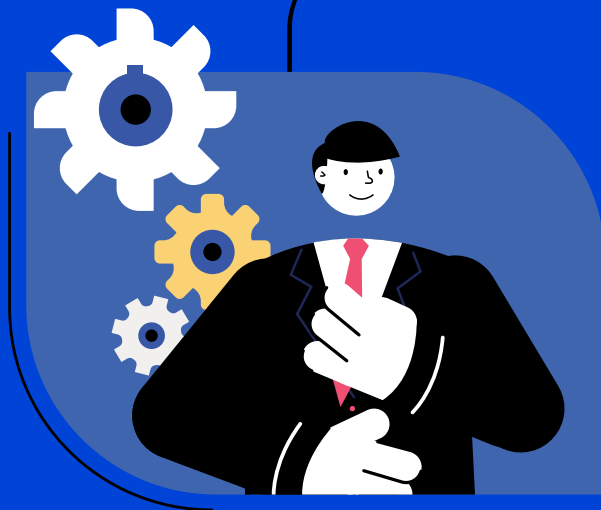
**When selling your agency, nothing is as important as knowing which type of buyer is best aligned with what you want.**



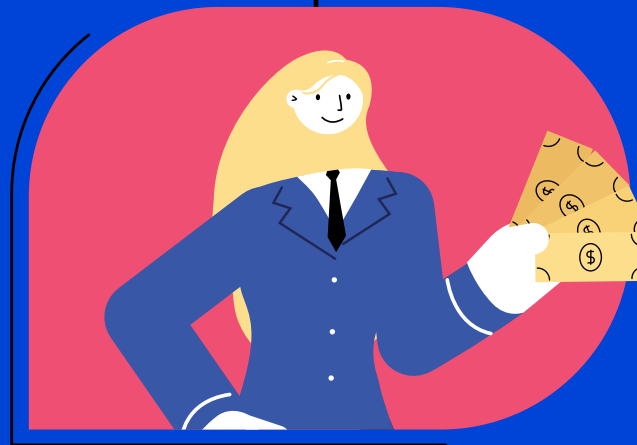
**Each type of buyer approaches  
buying an agency with a totally  
different goal in mind.**



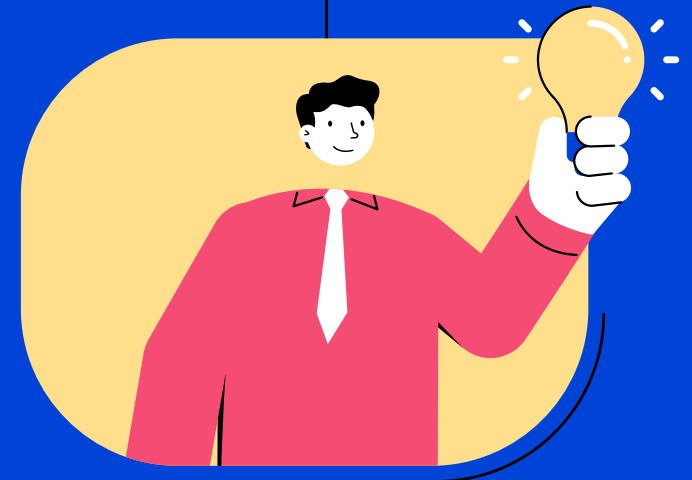
# THERE ARE **THREE TYPES** OF AGENCY BUYERS



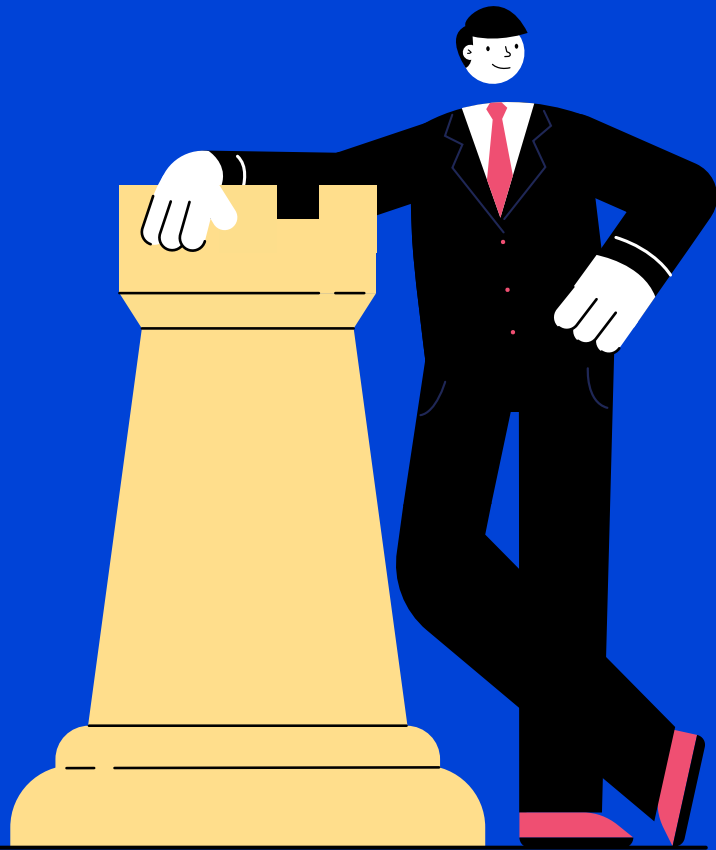
**1** **STRATEGIC  
BUYERS**  
(other agencies)



**2** **FINANCIAL  
BUYERS**  
(private equity groups)

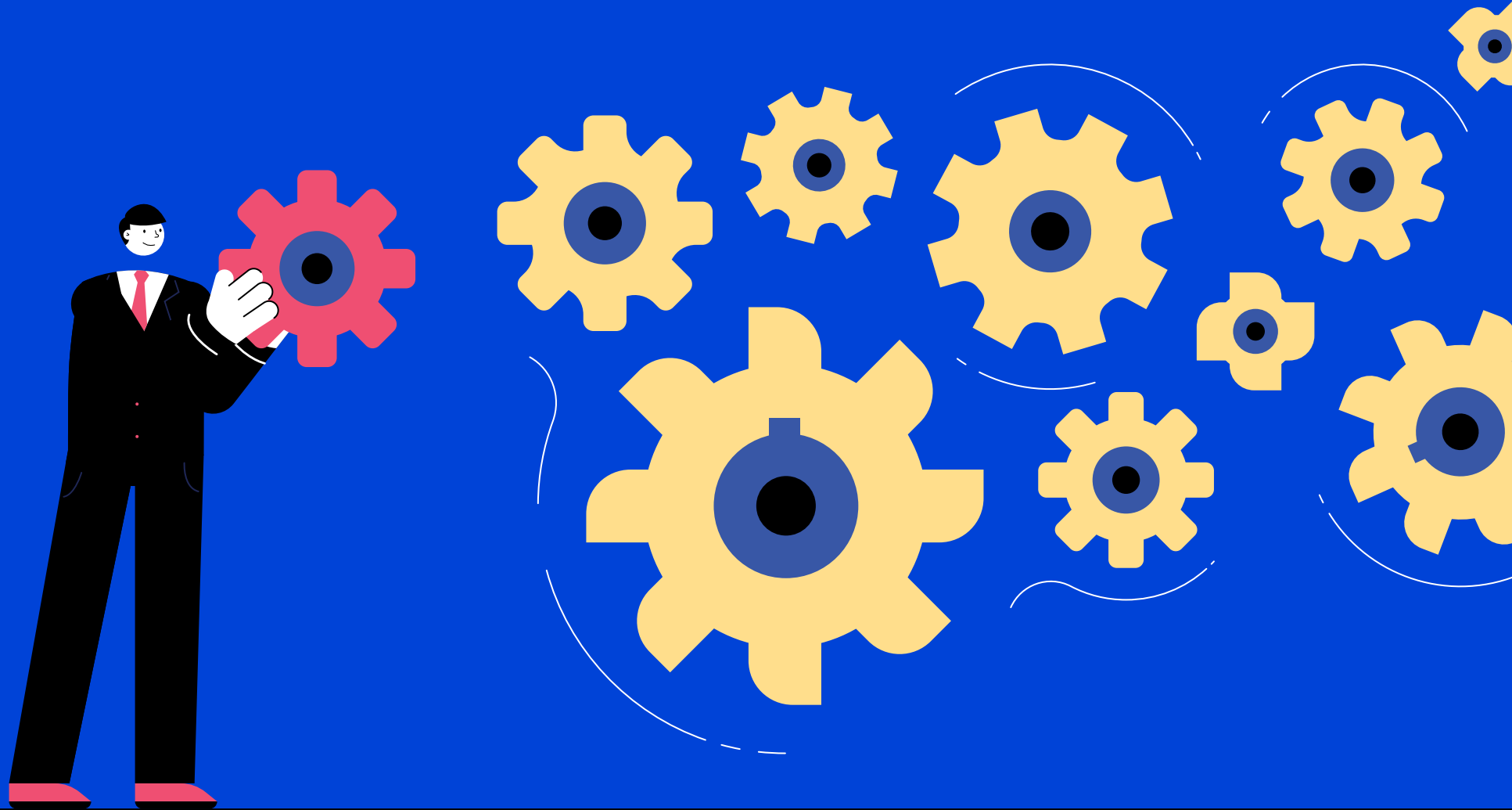


**3** **ENTREPRENEUR  
BUYERS**  
(individuals)



# 1. The Strategic Buyer

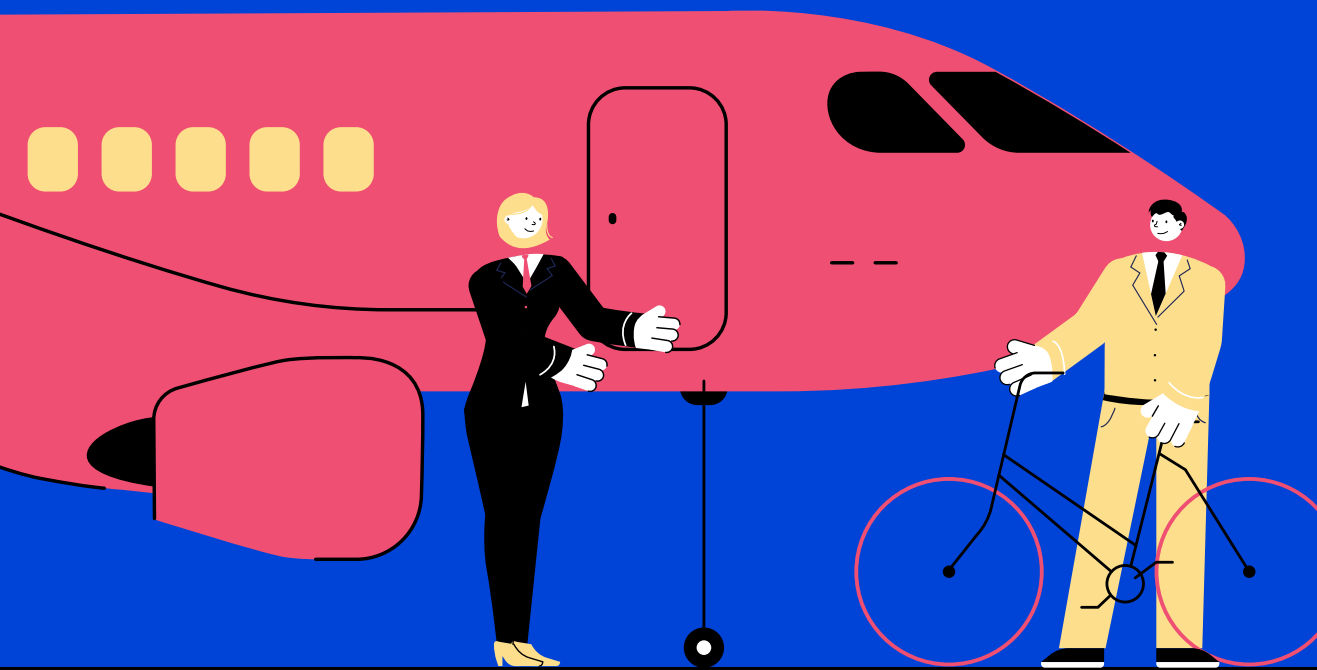
**Strategic buyers are generally larger agencies looking for a bolt-on to their existing business.**



# Why They Buy Agencies:

- Geographic expansion
- Industry vertical expertise
- Service offering expertise
- Amazing human capital





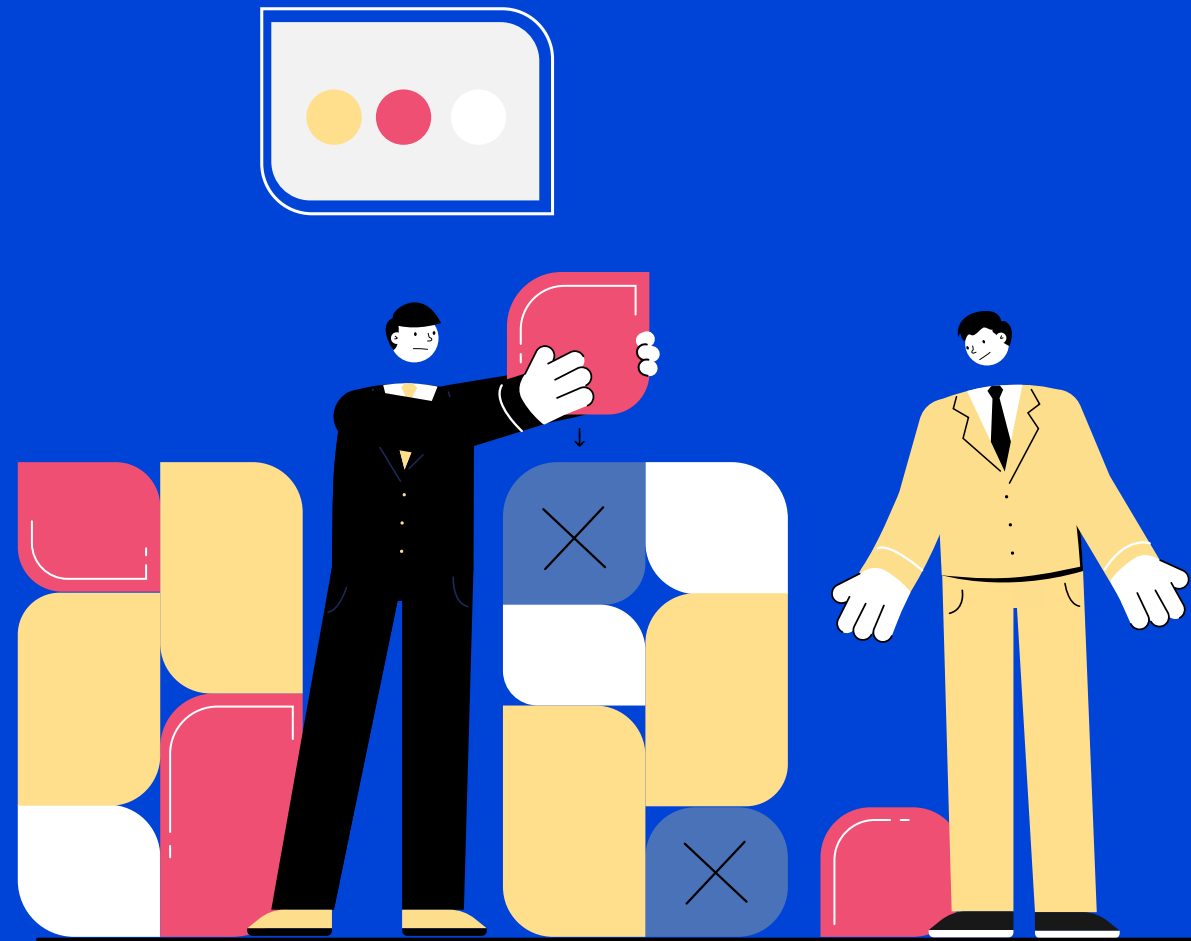
# Why We Love Strategic Buyers:

- They already understand the ins and outs of running an agency
- Chances of success post-transaction is high
- Team members join a growing company with new career opportunities
- Immediate cross-sell and up-sell opportunities



# Potential Negatives of a Strategic Acquisition:

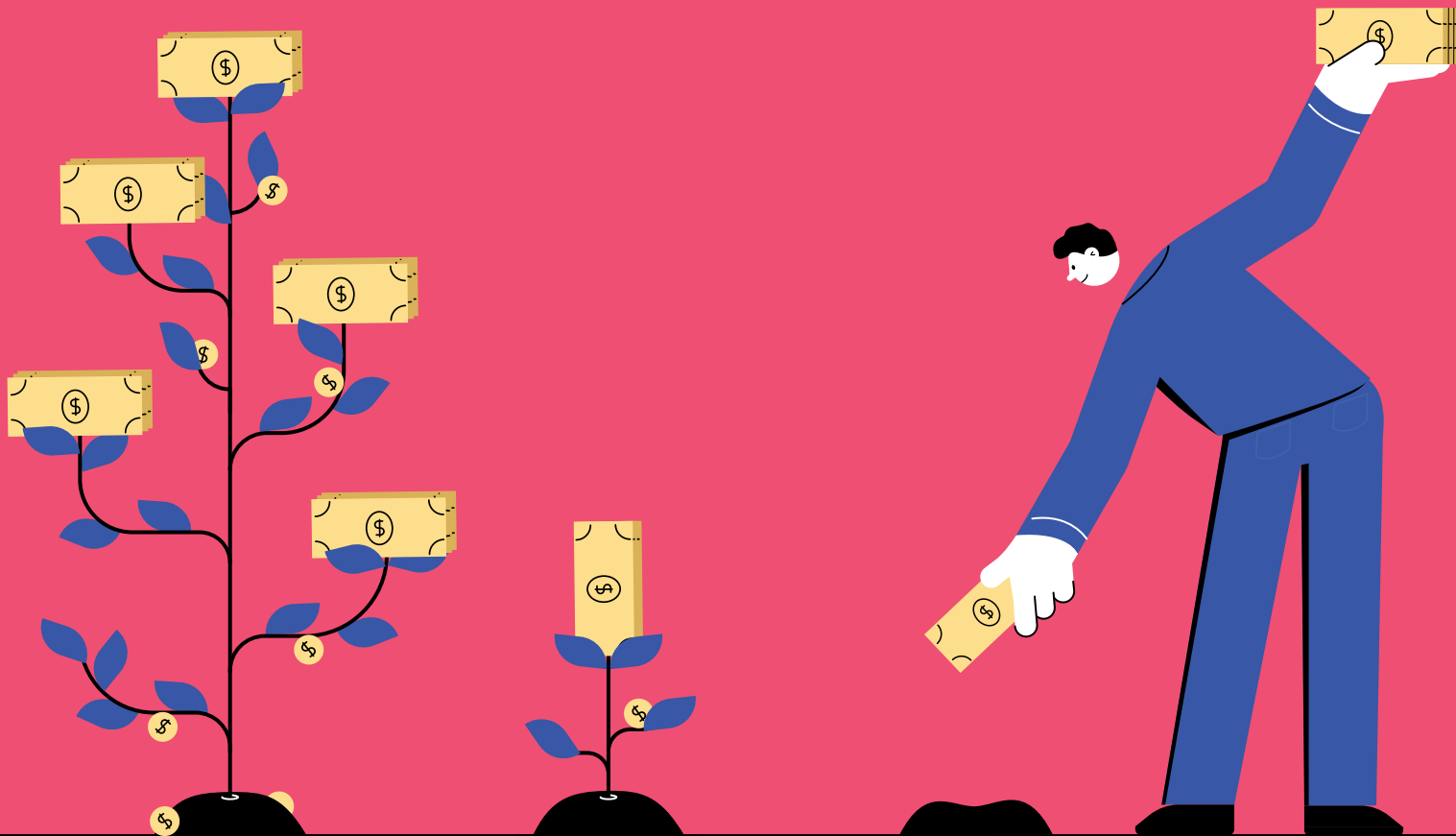
- Cash at close can be lower
- Merging of company cultures





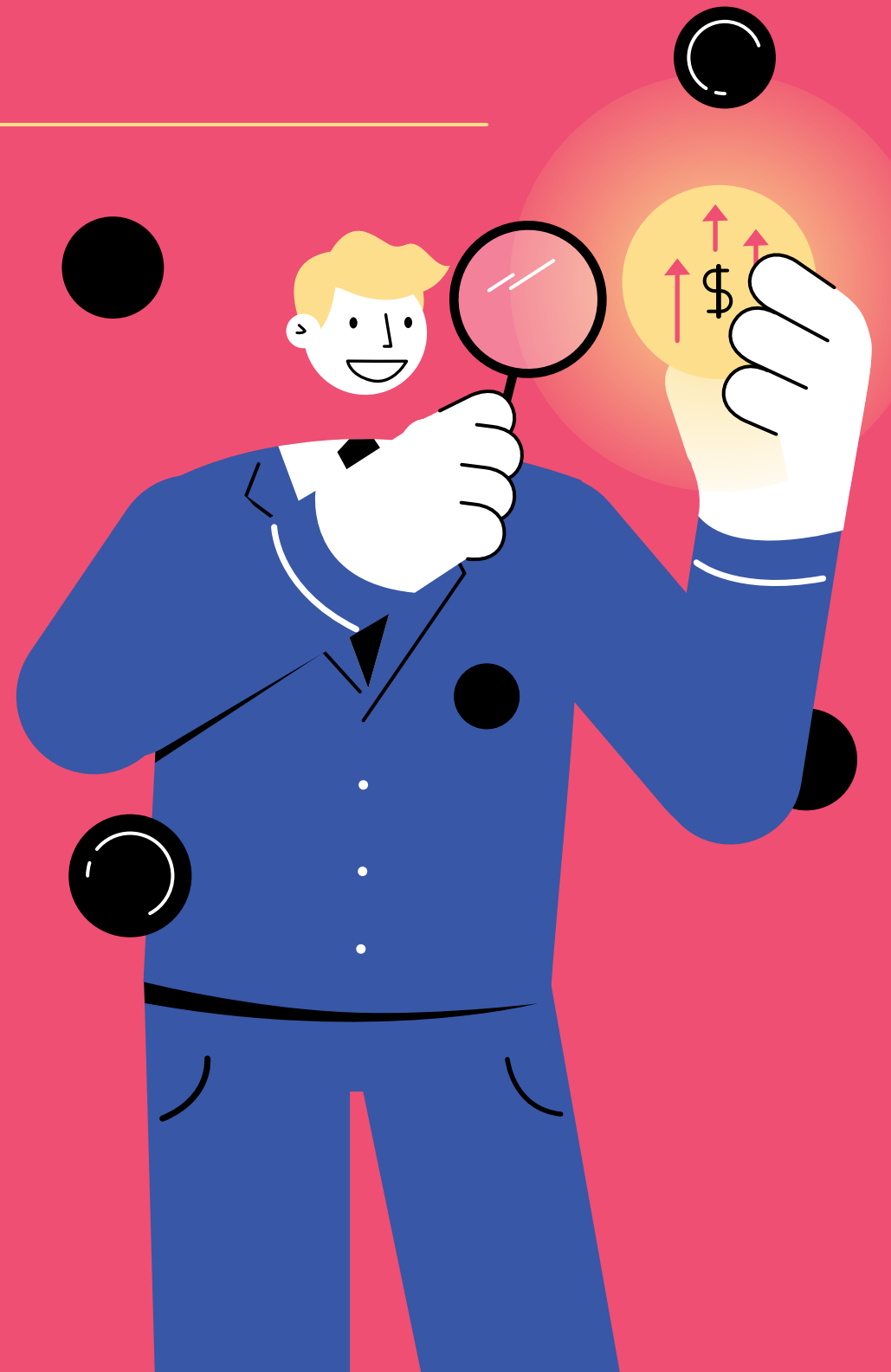
## 2. The Financial Buyer

**Typical financial buyers are Private Equity Firms that use other people's money to meet large financial returns.**



# Why They Buy Agencies:

- High-margin industry with predictable, stable revenue
- Reselling for a higher price in 3 to 5 years
- Maximize their investment return as quickly as possible





# Why We Love Financial Buyers:

- They bring external resources to the agency in an effort to supercharge growth
- Founders often get to stay on board post-transaction and continue to operate the day-to-day aspects of the agency
- If you make it through due-diligence, deal structures can be favorable

# Potential Negatives of a Financial Acquisition:

- Financial buyers generally use debt to finance
- Deals take longer to close and due diligence is often much more extensive because of lender participation
- They may not fully understand the agency space
- Pressure to perform financially can be stressful for key team members





# **3. The Solo- Entrepreneur Buyer**

**An entrepreneur buyer is generally a single person buying themselves a job.**

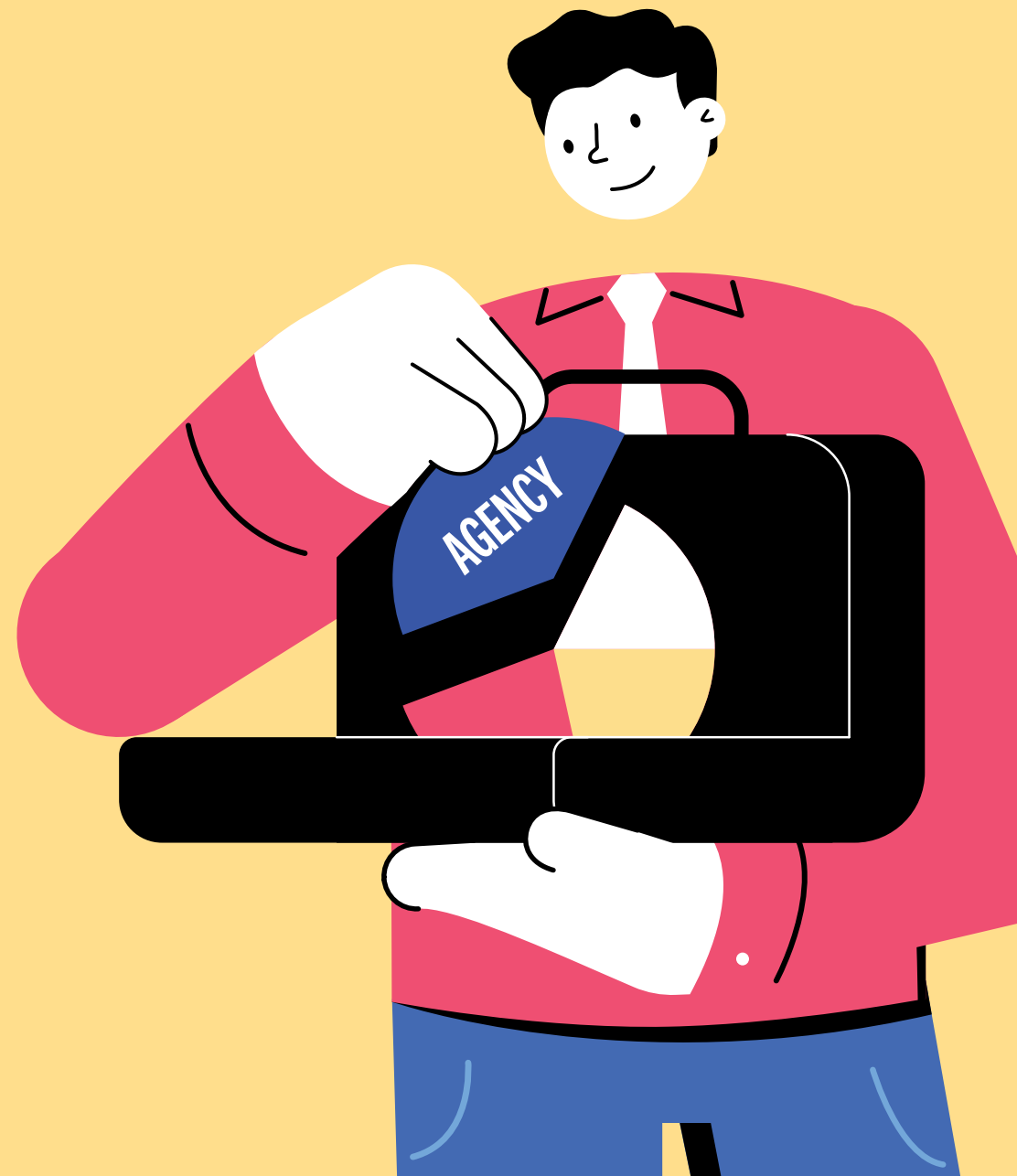




# Why They Buy Agencies:

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- Location agnostic
- Interested in entrepreneurship but don't want to build a business from the ground up
- Add an agency to their modest investment portfolio





# Why We Love Solo Entrepreneurs Buyers:

- Pay top dollar for businesses
- More devoted to the business
- Less likely to sell it

# Potential Negatives of a Solo Entrepreneur Acquisition:

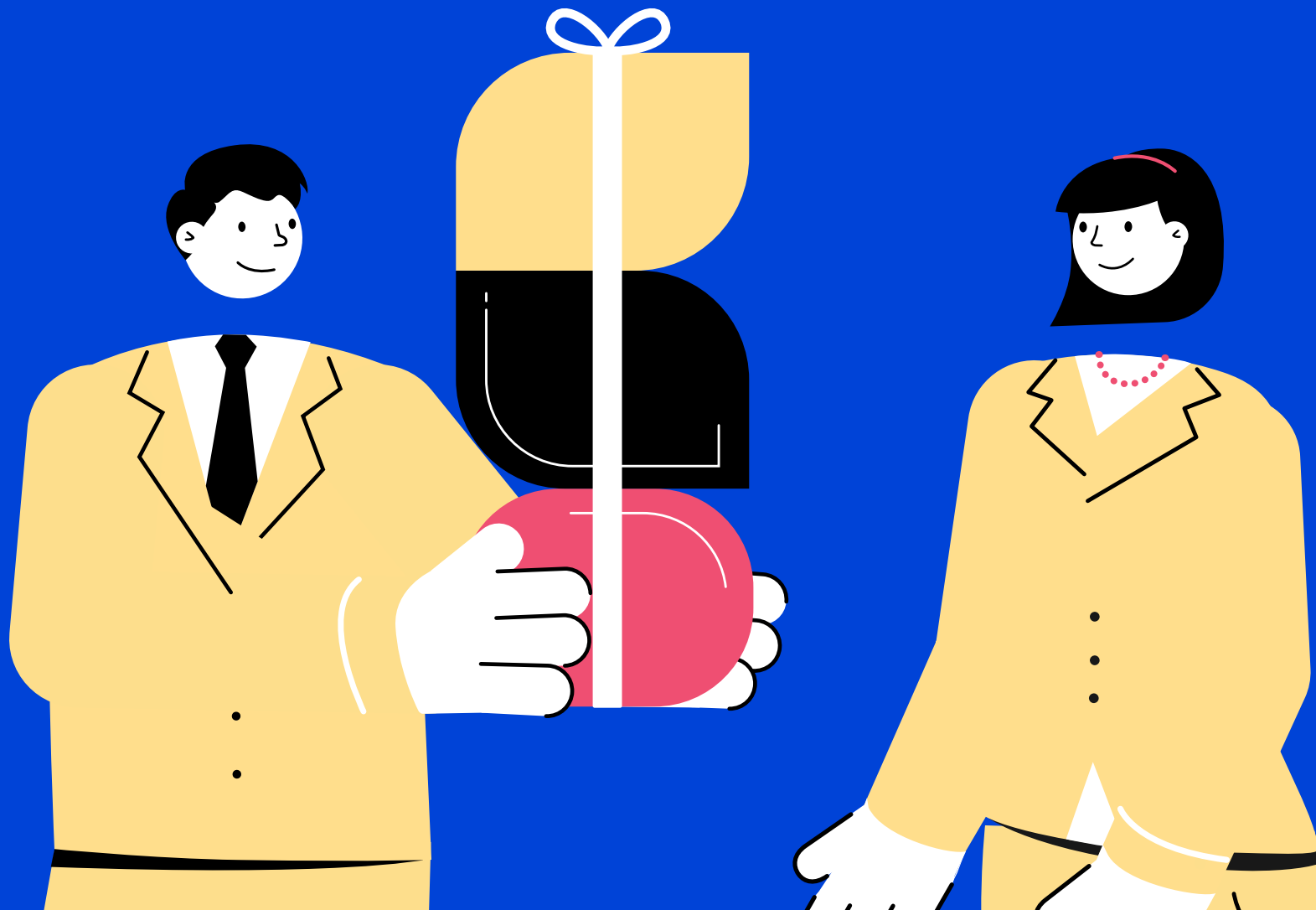
- Entrepreneurs vary greatly in what they look for in an agency and often require the most hand-holding during the transition
- Without agency experience, the chance of post-transaction success can vary greatly





**It's Important  
to Identify Your  
Post-Transaction  
Goals When  
Evaluating  
Buyers.**

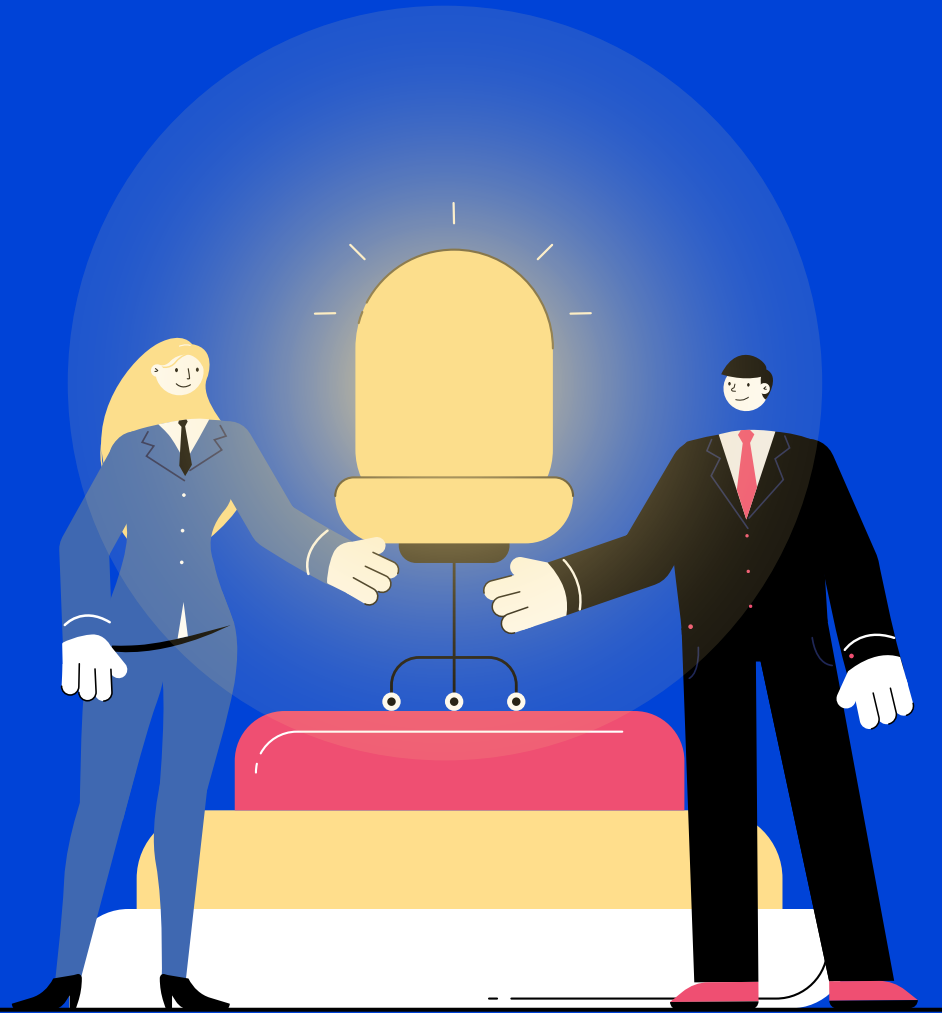
# Here are the Most Common Goals Sellers Share:



# If You Want a Quick Exit:

An entrepreneur buyer or a strategic agency buyer is likely to be the right fit.



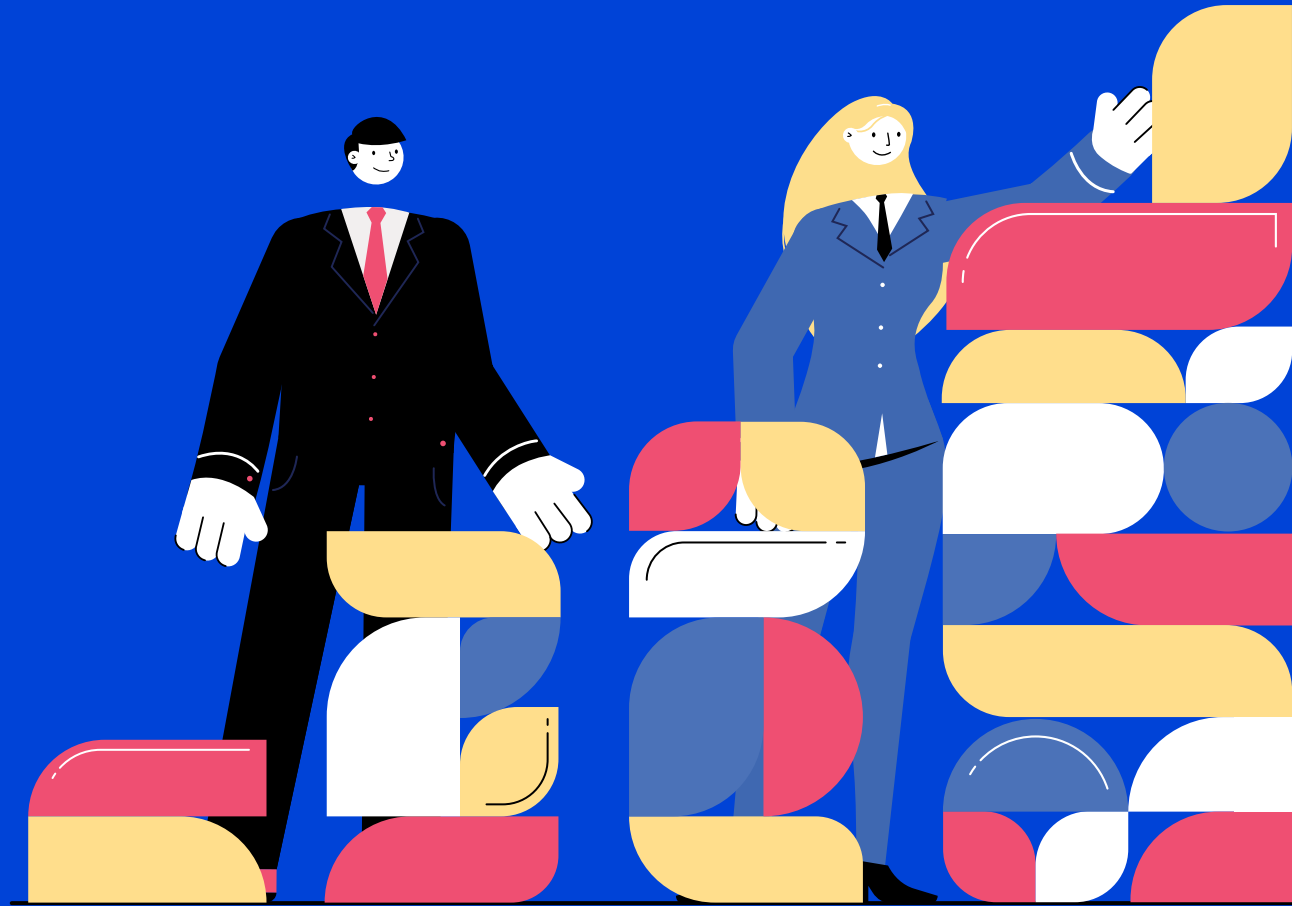


# If You Want an Amazing Place to Work Post-Transaction:

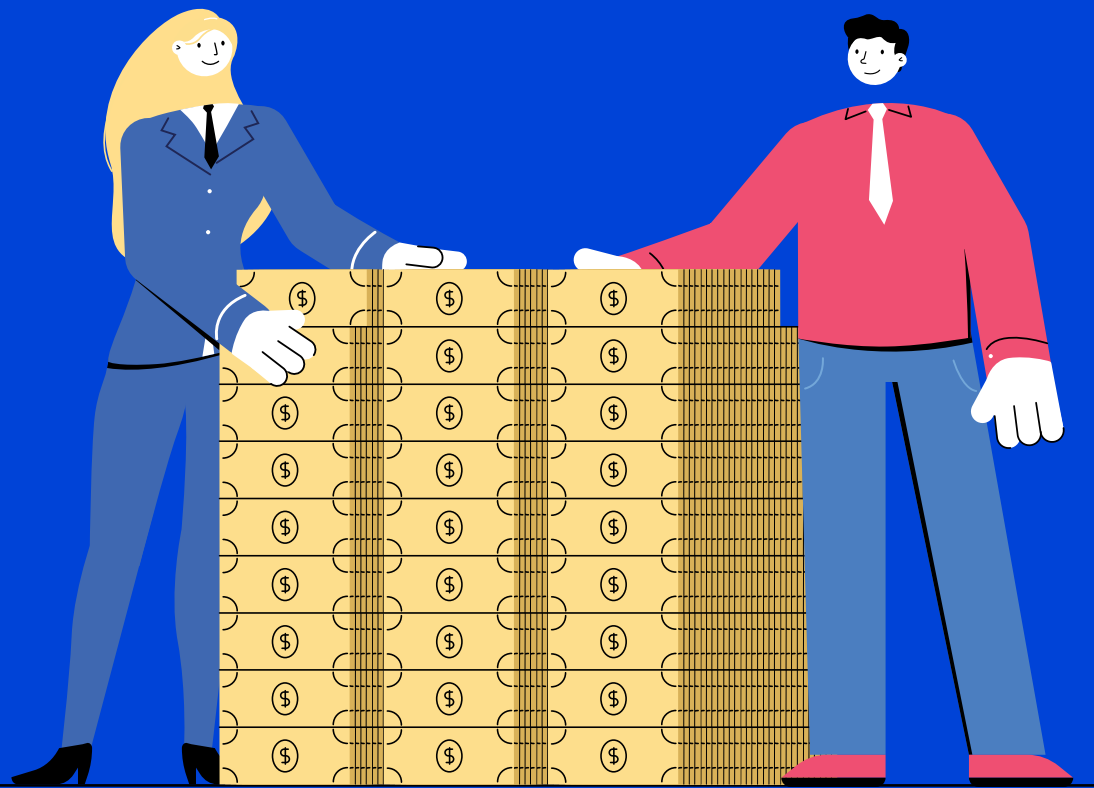
A strategic agency buyer  
and certain financial buyers  
are most likely the right fit for you.

# If You Want to Supercharge Growth:

A strategic agency buyer  
or a financial buyer  
is likely the right fit for you.







# The Most Cash at Close:

A financial or entrepreneur buyer  
is most likely the right fit.

# If You're Okay Taking Less Cash at Close in Exchange for Profit-Sharing:

A strategic agency buyer  
is most likely the right fit  
for you.





# If You Want Your Team to Have Amazing Career After The Transaction:

All buyers value your team in a transaction, but strategic buyers are generally preferred for their emphasis on culture and advancement opportunities for team members.