

Thinking of Selling?

How to identify the right acquisition partner

by: Brad Knepper, All Copy Products

If and when the day comes that you are considering selling your office technology dealership, one of the critical factors is finding the right acquirer. In order to provide you with insight into what to look for in an acquisition partner (or insight into how to step up your game plan as the acquiring company), this article will explore the strategy that my company, All Copy Products (ACP), based in Denver, Colorado, uses to select dealerships, structure deals, manage valuations and expectations, and ensure successful transitions.

To date, ACP has successfully integrated 26 acquisitions while maintaining its commitment to quality products and services. You can scan the QR code on this page to download a document we have created to help you identify important aspects to consider when selling your dealership.

Choosing the Right Acquisition Partner

The first step is to find an acquirer that aligns with your business's values and goals. ACP, for instance, seeks out companies that have solid reputations, diverse revenue streams and compatible cultures. While financial health is important, ACP does not necessarily require a company to be highly profitable for it to be an attractive acquisition prospect. Instead, it prioritizes the quality of customer relationships, which often provides a steadier revenue stream and promotes growth and expansion.

ACP also pays close attention to a dealership's standing within its market, as well as its history of acquisitions. Looking for compatibility in culture and service standards ensures a smooth transition post-acquisition, while diverse income sources suggest resilience against market fluctuations and the ability to cross-sell the current customer base into new technology offerings.

Flexible Deal Structures

A reputable acquirer will understand that there are multiple ways to structure deals, each with its own advantages and potential challenges. Whether it is an asset acquisition or a merger, at ACP, our approach is careful and strategic. We understand the importance of owner flexibility, offering



options for the previous owner to continue contributing to the business indefinitely, commit to a predetermined period before departure or leave immediately after the sale. We believe this shows a respect for the owner's legacy and the hard work he (or she) has put into building the business.

Valuations & Expectations

One of the key aspects of selling your business is the valuation and managing expectations accordingly. We understand that valuation is influenced by numerous factors and methodologies. So, we work to meet the expectations of both parties involved.

We prioritize transparency and communication throughout the valuation process. Plus, we provide regular updates and explain our methodologies in a clear and understandable way, ensuring that those dealers whose companies we are acquiring are never left in the dark about the value of their dealerships. Taking the time to understand their businesses and their unique value propositions plays a crucial role in determining an accurate and fair valuation.

Culture Compatibility

It is crucial that the acquiring company understands the importance of culture compatibility. ACP's method of evaluating cultural alignment includes examining values,

management styles and workforce dynamics. We conduct extensive cultural due diligence, align leadership visions, promote clear communication channels and create a road map for gradual cultural assimilation. This commitment to culture compatibility ensures a smoother integration post-acquisition.

Acquisitions are not just about consolidating resources or expanding our footprint. They are about people and culture. In every acquisition, it is vital to ensure that the cultures of both companies align well to guarantee seamless integration. At ACP, we are not just acquiring a company, we are welcoming new members into our family. Our goal is to keep all employees and make them feel valued, heard and part of ACP. Post-acquisition success lies in the successful blending of cultures, not just balance sheets.

Benefits to Dealers & Customers

The right acquirer understands the mutual benefits an acquisition brings to both dealers and customers. For dealers, an acquisition can expand access to new customer bases and untapped territories, along with opportunities for cross-selling new products and services. Customers can benefit from a broader range of products and services — potentially at more competitive prices — supported by the superior buying power of the acquiring company.

Smooth Transition & Effective Communication

Post-merger or acquisition, a smooth transition and clear messaging are crucial. ACP's approach involves meticulous planning and effective communication strategies, establishing open lines of communication with all parties involved. We also identify potential challenges early on and create plans to address them while maintaining customer-centricity during the transition phase. It is essential that customers

An acquisition strategy characterized by comprehensive offerings, superior service and a commitment to quality is the gold standard ... in an acquirer.

hear an aligned message of unity from the previous owners and new owners to build trust during the transition process.

Concluding Thoughts

An acquisition strategy characterized by comprehensive offerings, superior service and a commitment to quality is the gold standard for what business owners should look for in an acquirer. In the ever-evolving business landscape, it is crucial

to align yourself with an acquirer that not only understands your business, but also values its potential and future growth.

A well-executed acquisition strategy can pave the way for a seamless transition, minimal disruption and maximum gains. It is therefore necessary to evaluate a potential acquirer based on its track record, financial strength and strategic fit. Additionally, ensure it has a clear vision and strategy for your dealership post-acquisition. Remember, the right acquirer can position your dealership for long-term success while preserving the legacy you have worked hard to build. As noted, if you are considering selling your dealership, download the document we have created via the QR code to help you identify things you should consider when selling. ■

Brad Knepper, president and CEO of All Copy Products (ACP), located in Denver, Colorado, acquired the company in 1999 when it was a single location with seven employees. In the 24 years since, he has grown ACP to more than 400 employees across six states and 13 locations. An avid golfer, Knepper is the owner of Denali's golf course and restaurant in Iowa, and earned a degree in business administration and management from Iowa State University.

He can be reached at bknepper@allcopyproducts.com. Visit www.allcopyproducts.com.

