

Online Businesses Industry

Case Study

Mandate

Beacon was engaged by an exclusively online retailer of specialty outdoor home improvement products. The business had a unique model and supplied 'do it yourself' furniture, patio products, screen awnings and accessories. The owner, at the time, had run the business for over 20 years, and was seeking an exit due to retirement. Due to Beacon's strong outreach in North America and experience working with online businesses, Beacon was chosen as the exclusive broker and provided sell-side transaction advisory services through the entire sale process.

Implementation

Beacon began by compiling a fairness opinion to determine the business' true fair market value and proceeded to compile deliverables and confidentially market the mandate to potential buyers. Due to its online model and low overhead, this business was highly effective at generating cash flow. Moreover, the model was scalable which offered huge potential for growth. Beacon made sure that all these factors were taken into account before arriving at the true intrinsic value of the business. Through our large network of buyers and industry professionals, we were able to attract several buyers for the business. Based on the seller's criteria and vision, as well as our financial acumen, we were able to pre-screen buyers and solicit offers from serious buyers.

Outcome

Beacon's team assisted our client through every step of the sale process, and successfully completed the transaction. Beacon effectively negotiated a share deal involving 100% transfer of ownership with a private buyer. The deal was structured with a portion of the down payment being held in escrow by Beacon until closing, and a six month hold-back on the balance. A training and transition period was also negotiated as part of the agreement. Our team was actively involved through the due diligence process, ensuring transparency between both parties. In addition, Beacon assisted with succession planning to help maintain smooth operations through the transition period without damaging the value of the business.