



Clients:

Josh Hunt, ex-General Manager and former owner of Resource Strategies Pty Ltd. Peter Cribb, ex-Director and former owner of Resource Strategies Pty Ltd.

The Problem:

Around 2013, Josh and Peter realised that as 2/3 majority owners of the company, they had no clear strategy or plan to exit their business. This was causing both a fair degree of angst as they had no idea as to how long they would need to continue working in the business and they both queried each other as to who would ultimately buy their business and at what value that could be done.

The Solution:

I provided the owners with a staged approach as to exiting the business. The first step was to ascertain the needs of the owners via a series of questions, a group workshop, and one on one discussions. Once that was completed, I helped implement a planned change of the ownership structure so that Josh and Peter would acquire 100% ownership and control of the company by 2014. From there, I then interviewed members of the senior management team to isolate who may be suitable to both lead and own the business in the future. This ultimately led to an employee share plan being developed so that the management team members could begin acquiring an interest in the business. Through ongoing coaching, I assisted the development of the leadership capability of the management team and successfully transitioned the day-to-day management of the company from the founders to the new management team. The final step was to assist the founders with their final exit from ownership of the business and confirm the management team's buy out of the business.

The Value:

- The Directors confirmed the importance of using someone independent from their current advisors. It helped preserve the relationships between the exiting owners and other team members involved in the process;
- During the process, the founders continued their existing relationship with their personal tax and accounting advisors. Other experts were called in as necessary so that the best people most suitable for the job were engaged to assist with the transition;
- Assisted the financial understanding of the founders to help them understand the economics of their business model and how the valuation of the business could be maximised;
- Assisted the founders extract themselves from the day-to-day management of the business by introducing a transparent management system and coaching program that was eagerly adopted by the management team members;
- Through using an independent coach and advisor, the owners were able to continue their focus on the business which meant financial results continued to improve during the transition despite the changes occurring at the ownership level.

Testimonial

"Ian helped us architect and stick to a proper process. He was upfront and realistic about the length of time it would take to complete the transition. His insight into the management team was invaluable to validate and confirm our view of who were the best candidates to take on the business after us. The inclusion of a robust coaching process made us feel comfortable that the business that we sold should continue to prosper and yield ongoing benefits to the new owners."

- Josh Hunt and Peter Cribb, past owners and Principals of Resource Strategies Pty Ltd.