



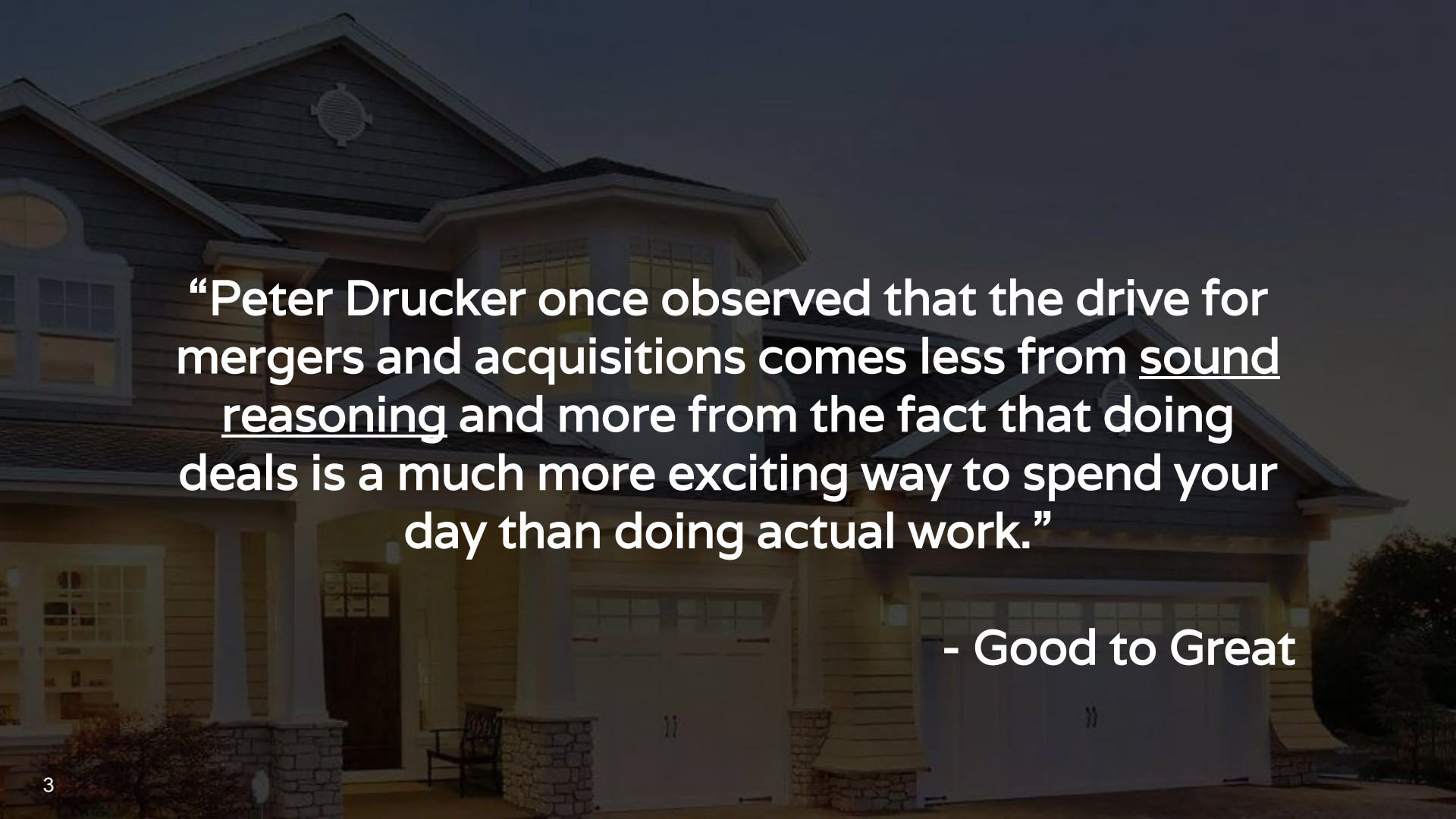
NARPM 2019



gkhouses

questions?





**“Peter Drucker once observed that the drive for mergers and acquisitions comes less from sound reasoning and more from the fact that doing deals is a much more exciting way to spend your day than doing actual work.”**

**- Good to Great**

# Before the journey: this industry in the future

You don't have to be big to compete – in fact, there is going to be a place for smaller companies.

**No  
Man's  
Land**



300



10,000+

If you decide to scale, don't get caught in the middle – no man's land.

# 5 lessons after buying 10 companies

Don't buy companies to create growth . . .  
Buy them to accelerate your growth



Have a strategy . . . Don't just buy to get bigger



Understand what value is to you



Have a process for diligence and be prepared  
for challenges



When you close, the work has just begun



Why did the good-to-great companies have a substantially higher success rate with acquisitions, especially major acquisitions?

The key to their success was that their big acquisitions generally took place after development of the Hedgehog Concept and after the flywheel had built significant momentum.

They used acquisitions as an accelerator of flywheel momentum, not a creator of it.

- Good to Great

# lesson #1

## **Buy companies to accelerate your growth.**

You need to understand what it is you do better than anyone else.



Tuck-in vs. new market

**A B C**

Class A, B, C



Size/scale relative to  
your size now



Difference in the markets  
and their nuances

## lesson #2

**Have a  
strategy; Don't  
just buy to get  
bigger.**



What's the market rate?



Measuring risk



New market v tuck in

# lesson #3

## Understand what value is to you





Scrum - checklist



Underfunded trust  
accounts



Messy financials



An uncooperative seller –  
upfront expectations

## lesson #4

**Have a process  
for diligence  
and be  
prepared for  
problems**



Onboarding the first 90 days



Accounting and communication



Always complete a postmortem

# lesson #5

**When you close, the work has just begun.**

questions?

