



## Case Study

### Business Sale and Succession Plan

#### Industry/Service

Safety Testing & Quality Control/Transaction Advisory Services

#### Summary

The owner of a highly successful retail consumer safety and compliance testing business planned to retire. Should he sell? Finding and consummating the right deal was a complex process that involved both extensive due diligence and a deep understanding of the selling company. The seller experienced a profitable outcome and was enabled to exert influence over the acquirer's future identity and direction.

#### Situation analysis

RBB senior partner Paul Bardaro had a long history with the client, a textile engineer with a PhD from MIT, who opened a quality and safety testing laboratory near Boston in the late 1980s. The business specialized in testing consumer goods of all kinds. From the operation's start, RBB searched for and hired accounting staff, prepared budgets and taxes, and developed feasibility analyses for service offerings. When the client wished to expand with a second laboratory in Asia and a joint venture in Italy, RBB handled the expansions. Within 10 years, the company grew into a \$50 million international enterprise with a roster of prestigious retailers, manufacturers and importers as customers.

At retirement age and with no heirs, the client assumed he should sell the business. "Who to sell to" became paramount. Decades of risk-taking and contribution to the field were at stake. Would his investment be properly recognized and rewarded?

#### Process

RBB urged the client to look methodically for the right transaction by educating him on succession planning and involving him in researching and short-listing prospects. Then RBB performed rigorous due diligence on four potential buyers. A clear leader emerged – a multi-billion-dollar international quality and safety assurance giant with solid financials and a stellar reputation.

#### Business results

By partnering with the client and knowing his business and his personal goals intimately, RBB was able to engineer a highly gratifying outcome. The company was sold for \$170 million and the client became a member of the acquirer's senior management team. RBB continues as adviser to the now-retired client for his personal taxes and private financial affairs.

*It was more than managing my money and getting the best price. Paul was like a relative. We grew together. He does the best for me because that's what he would do for his own business, for his own family.*