

David García-González

DGGCapital

Guy Barlett

The Business Buyers Club

M&A Selling Your Business

Who is David García-González?

DGGCapital

1. Started Freelancing in 2003

Spanish<>English Translator and Subtitler,
Voice Over Talent and Language Director



2. **go**localise

Adapting your content to foreign markets

Founded GoLocalise in 2008

One-stop shop; translation, subtitling, voice over services.



3. In 2015 starting writing a personal/business book about the translation/localisation industry any story

Child-biting, Chorizo and Chancing Your Arm
How I Made It Big in Britain





4. In April 2016 *Child-biting, Chorizo and Chancing Your Arm* became a Bestseller on Amazon

Child-biting, Chorizo and Chancing Your Arm: How I Made It Big in Britain Paperback – 1 Apr 2016

by [David García González](#) (Author), [Martin Norbury](#) (Foreword)

★★★★★ 122 customer reviews

Amazon Bestsellers Rank: #549 Paid in Kindle Store (See Top 100 Paid in Kindle Store)
#1 in [Kindle Store](#) > [Books](#) > [Business & Finance](#) > **Small Business & Entrepreneurship**
#1 in [Kindle Store](#) > [Books](#) > [Education & Reference](#) > [Words & Language](#) > **Translating**
#1 in [Books](#) > [Reference](#) > [Language](#) > **Translation & Interpretation**



“A compelling read and a vibrant account of a most extraordinary journey in a notoriously complex and challenging translation industry. Certainly one of the most inspirational rags-to-riches entrepreneurs I’ve ever met!”

**PROF. JORGE DÍAZ-CINTAS, CENTRE FOR TRANSLATION STUDIES (CENTRAS),
UNIVERSITY COLLEGE LONDON**



4. In October 2018

*I attended a course that **The Business Buyers Club** about Business Acquisitions.*



5.  Sparked my interest as:

- a method of growing my business
- diversifying into complimentary businesses (cross-selling and upselling)



MARKETING CAMPAIGNS

6. LinkedIn, Facebook, Direct email and email marketing campaigns started to reach my **IDEAL TARGET MARKET**; business owners that are worn out or tired, ready for retirement or wanting to move on.



Stats about the Translation Industry

- Over 1200 translation companies registered in the UK
- In 2017 revenues combined are expected to surpass £1.15bn
- Top 60 companies are 25% of the market, with revenues in excess of £1m.
- Smaller translation providers → combined in the region of £300m.
- 20% of largest companies → responsible for around 80% of the revenue.

Huge number of **companies consolidated in the UK** via M&A

Steps to Bulletproof Your Business For Sale?



Early planning → increases the chances of a successful outcome.

- 1. Pick a target buyer**
- 2. Decide how fast you'll want out**
- 3. Get your accounting sorted** (2-3 years of clean and dependable financial records)
- 4. Make yourself redundant → 2nd Tier Management in place**
- 5. Ensure your business is a well-oiled machine**
- 6. Write a “how to” manual for your business**
Formal/efficient **processes** for getting work done. Who does what, when, and how?
- 7. Driving up the valuation of your small business**
What make your business great? a really outstanding product?
Something unique? Using new technology? Loyal customers?
Amazing intellectual property? Find the strengths and grow them.
- 8. Get a guideline business valuation – I can help you with that 😊**
- 9. Work on a sales pitch**
Get buyers excited, explain why you got started, how you've grown, and what you've achieved, but keep it real → incorporate stats and facts.

My personal Top Tip

RAPPORT

**BUILDING RAPPORT
WITH THE SELLER**



Getting in touch with David

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Instagram and Twitter: [@GoDavidGG](#)

Facebook: [David García-González](#)

Hashtag: [#ChildBitingChorizoAndChancingYourArm](#)

Website: www.dggcapital.co.uk



About Me – Guy Barlett

- Sold and bought my first company in 1998 (for someone else!).
- Set up my first Group of companies in 2000 (for someone else!).
- Became a Fellow of The Institute of Direct Marketing 2003.
- Created the “Trust” brand in 2005 specifically to grow through acquisition (alongside a separate business opportunity).
- Received offer from VCs in 2006 for £3.2m.
- Made more than 35 formal and informal purchase offers in last 5 years.
- Acquired 10 companies with combined revenues of £47m.
- Founded The Business Buyers Club in 2014 to help other entrepreneurs learn how to acquire OMBs.

Myths to bust

- I need a lot of spare cash to acquire a company
- I don't have enough time
- I don't have enough knowledge to acquire *and* run other businesses



Do you know
the size of the
opportunity?

5.7 million UK businesses in 2018

245,000 Small (10-49) and Medium (50-250)

Over 90% are OMBs, 95% have NO exit plan

Only 10% are retail, the rest B2B

Circa 27% (66,150) of these are owned by “baby boomers” who need to retire in the next 5 years

Did You Know?

01

20% of start up businesses fail in the first year

02

50% of ALL start ups fail

03

84% of ALL businesses never achieve sales over £500k

04

You can save yourself MASSIVE amounts of time and hard work by buying a business that is already profitable

05

The average business sold for 2.6 times net profit last year

Step 1 – Why profitable businesses..?

Buy a profitable business, owned by a “baby boomer” (or other motivated sellers) who NEEDS to sell – you immediately own a cash producing asset rather than a cash drain

Avoid buying a “job” that will see you adding yet more hours to your work-week

Look for some form of management in place that means it can run without you – acquire an asset not a job

Step 1 – Why profitable businesses..?

- Profitable businesses will be able to pay you from day one
- A profitable business will both provide an income for you AND be a valuable asset
- It's easier to buy AND manage a business that is profitable rather than a struggling business
- Borrowing against the business NOT personally

Step 2 – Pick Your Market

Research

Buy in a sector that has plenty of owner managed businesses



Know

Choose a market that you either know about or have a passion for



Choose

Select a sector that is growing not declining

Step 3 – How to find your first business

Method 1 Direct


Contact potential vendors who may be interested in selling

Method 2 Broker network and advertising

Build relationships with business brokers and agents to make contact with businesses already for sale, many of which are advertised online

Method 3 Referrals and networking

Ensure that professional advisers in your network e.g. your accountant, your IFA, your lawyer etc. know what you're doing and looking for. They often have clients who are planning to retire and/or need to sell their business

A background image showing two hands shaking in a firm grip, symbolizing a business deal or agreement. The hands are wearing dark suit sleeves with white cuffs. A large, semi-transparent white circle is overlaid on the left side of the image, containing the text.

Step 4 Analysis and making offers

A simple quick valuation

- Remember...

Almost every business valuation is based, largely, on a “best guess” as to the future profits that business might generate, calculated from past performance

You start with a “book” valuation. You need (at least) the last 3 years’ Full accounts

Focus on “Shareholder Funds” and Post Tax profits

(This takes approx. 5 minutes)

Where Is the Cash in a Business?

Every business has a 'locked in value' if you know where to look



Tangible assets



Customers



Cash



Unallocated
tax allowances

Creative Funding

If the deal doesn't
stack up initially,
there are a few
clever ways of
funding the deal

- There are ways to leverage the assets of a profitable business so that the deal is self-funding - you need little or **no cash**
- There are a range of specialist funders if you know where to look (no need to access high street banks which have zero interest in these kind of deals)

Key Steps....

To a “Yes” or a quick “No”

1. Generate “Deal Flow” or leads. Focus on the emotional drivers and level of motivation first.
2. Develop a clear idea of a deal structure with detailed numbers then get a “funding in principle” in place.
3. Then develop the rapport and get into numbers with the seller. If you’re in the ball park...
4. Tweak the numbers and get a term sheet or offer from a funder.
5. Make a “finance backed” Offer.
6. Tweak again!
7. Issue Heads of Terms and complete.

Heads of Terms

01

You should regard this as “full steam ahead” and that both sides are totally committed to complete the deal as envisaged

02

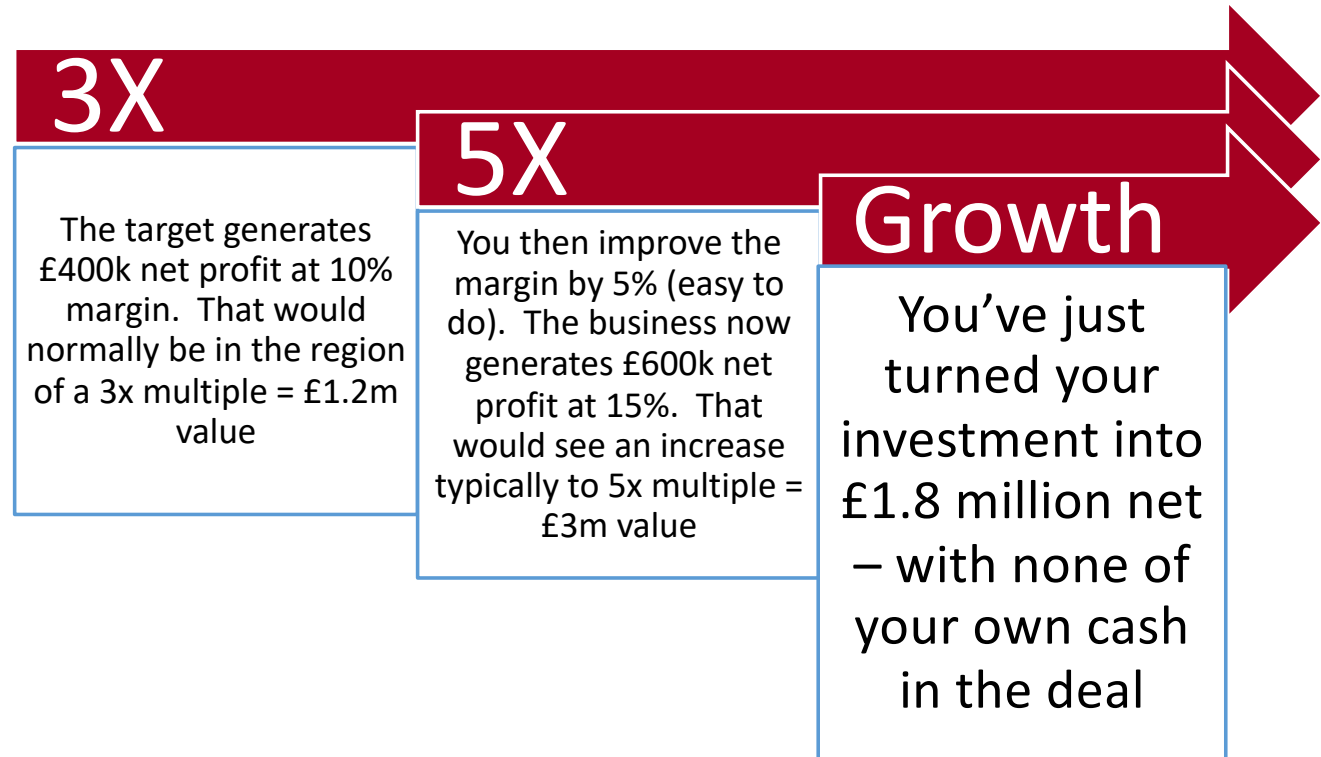
If either side pulls out from here, you pay each other’s professional fees

03

The deal may still be changed or compromised if due diligence reveals problems that were unforeseen

The power of
the multiplier

All deals are
based on a
“multiple” of an
agreed profit
measure. So, to
make it easy,
consider this...



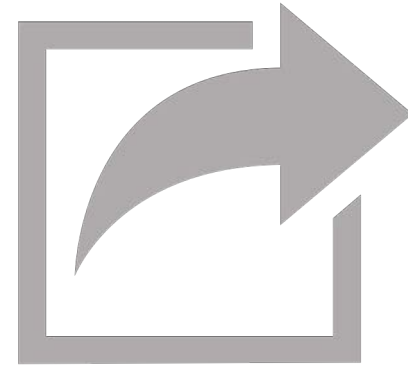
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Q&A



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**KEEP
CALM
AND
THANKS
FOR LISTENING**