

NEWS/BUSINESS

Creative Business Services is partner to industry for company optimization, sale prep

By Alyssa Mitchell

GREEN BAY, Wis. — With ongoing consolidation happening in the dairy industry, company owners may be asking themselves: When is the right time to sell?

Creative Business Service (CBS-Global), based in Green Bay, Wisconsin, specializes in the sale of businesses and commercial and industrial real estate throughout the United States and internationally. The company offers its affiliate advisors the most advanced technology to manage their offerings and serve their clients, generate professional reports and outperform the competition, officials say.

Bob Wolter, mergers and acquisitions (M&A) advisor with CBS-Global, says business operators should run their company now as if they are planning to sell.

“It’s important to keep the books clean, stay efficient and focus on the bottom line,” Wolter says.

He notes many owners seek to cut taxes, but this can undercut the value of the company.

“You want to be showing as much of a profit as possible, and if you’re paying taxes, it’s a good sign that you have a healthy business,” he says.

Wolter says it’s also important to build a solid management team.

“Keep your employees incentivized and excited to work for your company,” he says. “You want them to feel like they are part of the team. This not only strengthens the business but also positions others to step into leadership roles if the owner exits the business following a sale.”

Michael Schwantes, principal, CBS-Global, adds this also is a good strategy in the event that an owner has to exit the business for health or other reasons as well.

“A solid management team is very advantageous to the overall business structure,” he says.

“We’ve had situations where we were selling a company because the owner felt it was growing faster than he had the tools/energy to keep up with,” Wolter adds. “A best case scenario is where you’ve hired good people who are rapidly growing the business in ways you hadn’t imagined.”

• Time to sell

This type of growth is one indicator that it may be time to sell, Wolter says.

“If you’ve experienced three consecutive years of considerable growth and profit, it may be the time to sell,” he says. “It gives potential buyers confidence that the business is healthy and will continue on a path of growth if they are to invest.”

Another potential situation is an owner who has become bored and lost passion and focus, Wolter says.

“That can be infectious to your employees. And at that point, when your eye is off the ball, you really should

divest yourself,” he says.

Schwantes adds that potential buyers can sense the loss of passion immediately.

“When it comes down to it, a buyer smells the loss of passion and will negotiate accordingly. Look at going to market prior to losing your passion, so things are very positive,” he says.

Another strategy is eyeing potential partnership opportunities in the market, Wolter notes.

“A best case scenario is where you’ve hired good people who are rapidly growing the business in ways you hadn’t imagined.”

Bob Wolter
CBS-GLOBAL

“When you look at collaborators or competitors and see a way in which the two of you could be bigger than you are separate — that creates economies of scale, and things could become a bit more vertically integrated. We see that a lot. That is clearly a win-win for both companies to partner up; they maintain equity into the new company and it grows for both,” he says.

• Better to wait

Meanwhile, just as there are signs to sell, there also are key indicators that it may not be the right time.

Sometimes, if a company is experiencing a growth spurt, it may be ad-

vantageous to continue that trajectory for another year or two before looking to sell, Wolter says.

He notes some clients had a rough year in 2020 due to the coronavirus pandemic, but some saw upward growth in certain areas due to consumer demand.

“I’ve told some people to hold off on selling and to continue for another year or two if they are experiencing heavy growth,” he says. “We do stay in touch with them because once they’ve conveyed that interest, we know they are likely to eventually sell.”

Schwantes adds, “A great M&A advisor gives good advice and doesn’t always grab a sale. They look to get clients the optimum value for their company in the long run.”

Schwantes and Wolter note they’ve been able to create a niche in the cheese industry through connecting with companies at trade shows and other events, as well as their affiliations with trade publications and industry organizations.

“We really think out of the box,” Schwantes says. “We went to Dubai for the 2020 Gulfood Show. Attending those kind of conferences around the world are important to understanding some of the trends worldwide. Some of the buyers of your dairy companies may very well be international.”

Wolter notes CBS-Global also offers companies a valuation of their business, with no strings attached to move forward with a sale.

“We have a certified valuation department, and we do them monthly,” Schwantes adds. “It helps our sellers prepare to sell their business. They may not want to move forward yet, but then they have an idea of where they are at.”

• The right buyer

In looking for the right fit in a sale, Wolter says it’s important to seek out a buyer who understands the business. It’s also important to make sure the buyer is financially credible.

Schwantes says it’s helpful to check with other sellers who may have worked with a potential buyer.

“You don’t want to waste your time or your seller’s time. Qualify that buyer to make sure he or she is the right buyer. And look at the culture of the seller’s company. Sellers are most concerned about their customers and employees. They are concerned about the legacy of the company and where it is going to go.

“If the buyer is being asked to stay on in a minority ownership role, which is often the case, how does that play into the vision of the company and where they want to grow and go?” he adds. “Make sure the philosophies are the same, or it may not be a good fit.”

Wolter says this also applies from a long-term ownership standpoint. Is the buyer invested in growing the business long term, or are they wanting to flip it?

“Ideally you want the new buyer to make a long-term commitment; otherwise, it’s putting the employees at risk,” he says.

The timeline for a sale could be as short as a few months, or it could be a year or more. But the bottom line is to bring a company into good standing today, to be ready for the opportunities ahead, Wolter says.

“Run your business cleanly and efficiently, be creative, incentivize employees, look for new markets, develop new products and possibly look at export opportunities as well,” he says. **CMN**

BUYING or SELLING A BUSINESS IS OUR BUSINESS

3 Fantastic Businesses AVAILABLE for Acquisition

East Coast Cheese Dairy Mfg. Co.

1960s Well Established
Services Northeast Corridor
56,000 SF Cheese Plant
50,000 SF Warehouse
and Cold Storage
\$40M Gross Sales

Meat Processing Co.

Authentic German Sausage
Since 1964
Wholesale/Retail
E-Commerce — Nationwide
\$3.7M Gross Sales

Midwest Cheese Co.

Well Established
90,000 SF Plant
Room to Expand
1.25M lbs. of Milk Per Day
\$135M Gross Sales

Mergers & Acquisitions Advisors
Professional, Efficient Service with Proven Results
Since 1979



Michael Schwantes
920.362.8100



Bob Wolter
312.576.1881

For more information please visit www.cbs-global.com