



IANA

**INTERMODAL ASSOCIATION
OF NORTH AMERICA**

How to Add a Multiple to Your Company's Value

October 6, 2021, 3:00 PM ET

Presented by

TENNEY
GROUP

Housekeeping

- Audience will be muted
- A question & answer session will follow the presentation
- Submit questions by clicking the Q&A icon at the bottom of your screen
- A recording of this webinar, including the slides, will be available soon



Today's Presenters



Spencer Tenney
President & CEO
Tenney Group



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Strategic Advisor
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Today's Goals

- Show How to Build Value and Where to Build It
- Demonstrate Why You Should Care
- Inspire Bold Action

Focus on What You Can Control

- Financial Reporting – The Foundation of Building Value
- Leadership, Culture, & Reducing Owner Dependence
- Offsetting Growing Expenses Through Acquisitions

Financial Reporting

How it Impacts Value & Structure

Let's Do a Quick Test

www.sale readiness assessment.com



Two Similar Companies – Two Different Values/Structures

Company #1 – MGM Grand Trucking



Excellent Financial Reporting

- 20M total consideration
- 18M cash down + 2M SF 3 years
- 90-day consulting period with option

Company #2 – Caesars Palace Trucking

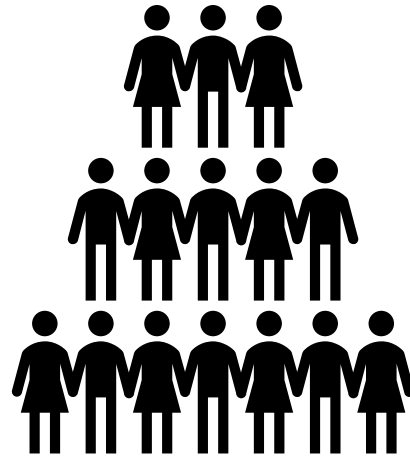


Poor Financial Reporting

- 16M total consideration
- 12M cash down + 4M earnout, 5 years
- 2-year employment agreement

Leadership, Culture & Owner Dependence

Let's Do a Quick Test



Two Similar Companies – Two Different Values/Structures

Company #1 – The Venetian Trans.



Excellent Culture

Zero Owner Dependence

- 75M total consideration
- 75M Cash Down (Partial Holdback for 1 Yr)
- 1 Yr Consulting Period (20 hrs/wk)

Company #2 – NY NY Distributing

NEW YORK
NEW YORKTM
DISTRIBUTING

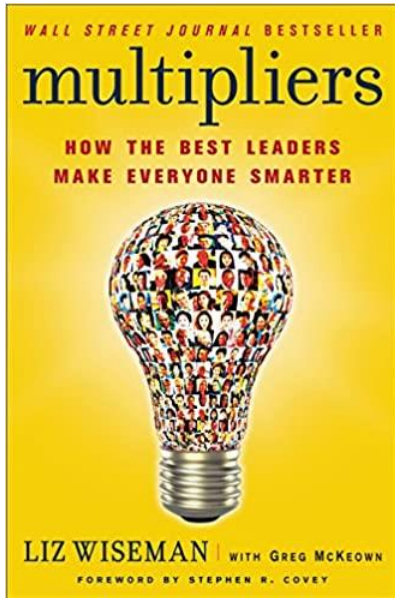
Heavy Owner Dependence

- 28M total consideration
- 20M Cash Down & 8M Earnout over 5 Yrs
- 2 Yr Consulting Period (Full Time)

Key Culture Observations that Attract Value

- Multiplier vs. Diminisher
- Prioritize & Execute
- Organizational Alignment
- Team Members Feel Safe and Connected

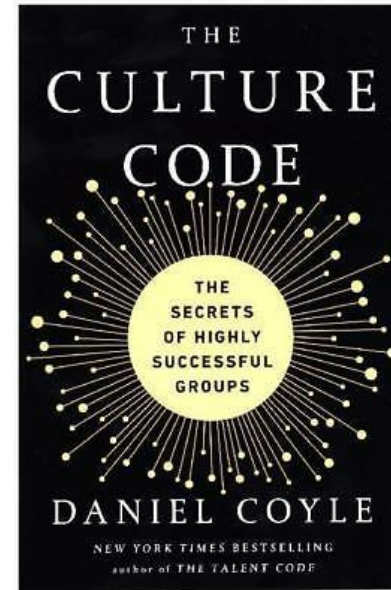
Recommended Reading – Culture and Leadership



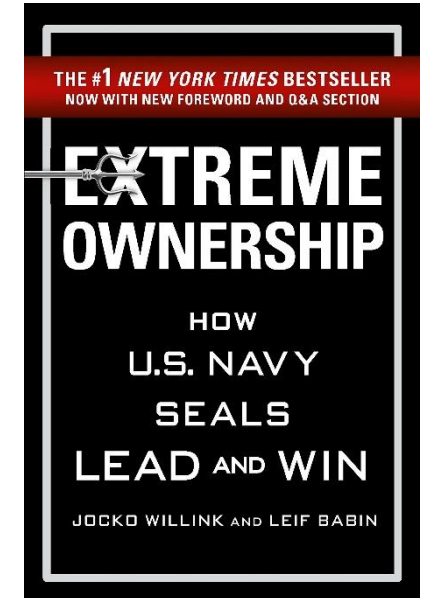
Multipliers
By Liz Wiseman



Joy Inc.
By Richard Sheridan



The Culture Code
By Daniel Coyle



Extreme Ownership
By Jocko Willink

Offsetting Growing Expenses Through Acquisitions

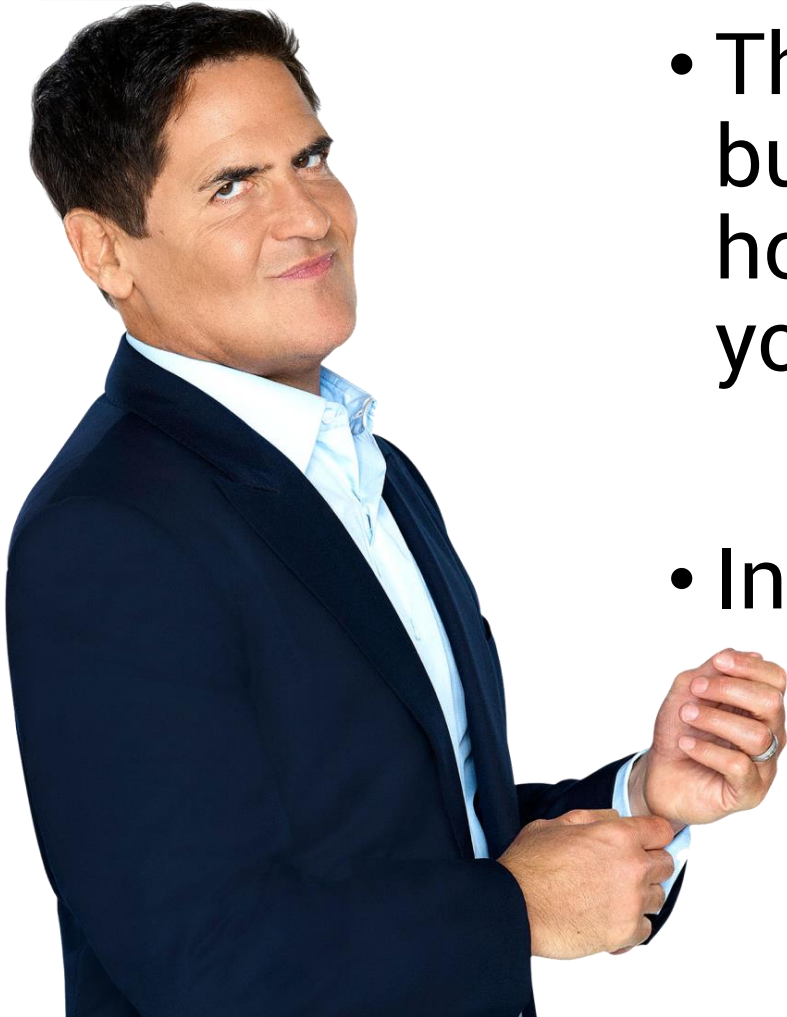
Unlimited Growth Opportunity + No Drivers/No Trucks
=
0 Growth

Case Study: 80M – Insurance Challenge

Helpful Formulas

- Same Revenue + More Expenses = Working Harder & Lower Valuation
- More Revenue + More Expenses = Working Harder & Same Valuation
- More Revenue + Less Expenses = Working Smarter & Higher Valuation

Conclusion



- Think about building value in your business like someone is working 24 hours a day to take it all away from you.
- Inspire Bold Action!

5 Action Steps

- Ensure Monthly Financials
- Take Sale Readiness Assessment
- Use Due Diligence Prep List to Prepare Team and to Protect \$\$
- Register Buyer/Acquisition Profile
- Update Job Descriptions for Leaders

Questions?

Enter them with the Q&A button.

Thank You!

Contact us:

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