

# SCALE for SALE -

## *How to Build a Business and sell it for Millions*

### Synopsis

*'Are you sure we should be selling the Golden Goose? Asked Peter, a non-executive director, and shareholder. The board had just received a revised offer for our business - we would become millionaires! Just over a decade later, it was déjà vu. I was now presiding over another high growth, high margin business. A giant American corporation interested in acquiring our company had put a proposal on the table. 'That is a life-changing amount of money Mark but is this the time to be selling?' asked Mike, a retired former blue-chip CEO, now a non-executive advisor and mentor.*

Building a thriving business often involves some luck as well as requiring hard work, focus and determination. It also means getting some of the simple but critical things right. Few people have successfully repeated the process. I have. Though I am no genius, had a modest upbringing and went to a state comprehensive school.

By reading this book, you will discover that anyone choosing to be an entrepreneur can become a multi-millionaire with the right mindset, know-how, and approach.

This book encapsulates some of the key learnings from my experience through various ventures, not all successful. I show you methods I found work to propel a business from the start-up phase through scaling up, preparing for sale, and then eventually how to approach your exit. In other words, how to progress from an initial fledgling firm through to putting that multi-million-pound cheque in the bank.

Written by somebody who has been there, done it and had repeated success, this book focuses on those who have started a new company and are now ready to scale. It is also, I hope, helpful to all those budding entrepreneurs out there, undecided about the next step and thirsting for inspiration.

Mark Harrison, February 2021

# CONTENTS

MY BACKGROUND

INTRODUCTION

## **PART 1: LAYING SOLID FOUNDATIONS**

### CHAPTER 1: IT'S ALL ABOUT THE FOUNDERS

- 1.1 What is the one thing that prevents most founders from being able to 'scale-up'?
- 1.2 How scalable is your business?
- 1.3 What sources of funding are available to help you scale?
- 1.4 I mortgaged my house in the middle of a crisis. What are you willing to do to scale your business?

References/further reading

Key takeaways

Homework

Appendix: An overview of different funding options available to help scale your business.

### CHAPTER 2: WHAT DO INVESTORS LOOK FOR IN A FOUNDER?

- 2.1 What attributes do you need as a founder to 'scale-up', and crucially, what do investors look for?
- 2.2 How can a founder maintain motivation, energy levels and keep performance levels high in the team?

References/further reading

Key takeaways

Homework

Appendix: An example of inspiring belief: How to multiply two 5-digit numbers together in under a couple of minutes without using a calculator or computer.

### CHAPTER 3: HOW CAN YOU IMPROVE YOUR CHANCES OF SCALING NOT FAILING?

- 3.1 What two characteristics common to all start-ups must be embraced in the quest for growth?
- 3.2 What is often the main reason start-ups fail and the one thing, alongside being agile, you must do?
- 3.3 What major benefits will an agile approach bring to the make-up of your business as it is scaled?
- 3.4 What can help in navigating the different strategic options and paths for the business as you scale?
- 3.5 In the rapidly evolving technology space, how can you scale up and stay agile in your decisioning with so much going on?

References/further reading

Key takeaways

Homework

## CHAPTER 4: HOW DO YOU BUILD AND RETAIN A WINNING TEAM?

- 4.1 What is vital for success as you assemble your 'scale-up' unit?
- 4.2 What will guarantee you a winning outfit?
- 4.3 What are the important traits for people in a winning team?
- 4.4 How do you ensure you have a balanced group and a foundation for growth?
- 4.5 How can you easily fill areas where skills are initially missing in your business?
- 4.6 How can you hire to increase creativity in your organisation?
- 4.7 How can you galvanise your team into one unit moving in the same direction?
- 4.8 How do you motivate, maintain, and drive high performance?
- 4.9 How can you retain the best people?
- 4.10 How to deal with hires you get wrong.

References/further reading

Key takeaways

Homework

## CHAPTER 5: HOW TO REFINE YOUR COMPETITIVE STRATEGY & EXECUTE WITH SPEED

- 5.1 What is a competitive strategy?
- 5.2 What types of competitive strategy might you consider?
- 5.3 What is the best competitive strategy for your market?
- 5.4 How do you discover a competitive advantage in an established market?
- 5.5 How to review your competitive strategy and discover your secret sauce.
  - i) Review the competitive dynamics of the Industry.
  - ii) Importance of trends and external factors influencing competitive dynamics.
  - iii) How to carry out a SWOT analysis on your business.
  - iv) How to consider different growth vectors for your business.
  - v) How to discover the total addressable market value for each of your options to scale.
  - vi) How to build a Competitor Insight Matrix.
  - vii) How do you bring it all together? Consolidate all your information, look at the most attractive opportunities, assess any gaps. Then put your plan of action together.

References/further reading

Key takeaways

Homework

## PART 2: ACHIEVING SUSTAINABLE GROWTH

### CHAPTER 6: HOW DO YOU TRANSFORM YOUR FIRM INTO A GOLDEN GOOSE?

- 6.1 What do you need in place to help in more effectively managing the P&L of the business?
- 6.2 How can cost control be a source of competitive advantage?
- 6.3 How do you remove key man dependency, reduce errors, and increase product consistency and quality as you scale?
- 6.4 How do you maintain growth and keep your products fresh when technology is moving ahead so fast?
- 6.5 What is one thing that some technical folks neglect, yet needs to be a central ingredient as you scale, to enhance the perception of your firm in the market?

References / Further reading

Key takeaways

Homework

## CHAPTER 7: HOW CAN YOU REFINE YOUR PRICING STRATEGY?

- 7.1 What market and type of product are you supplying?
- 7.2 What happens when you price technology solutions too low or too high?
- 7.3 How could a niche technology start-up approach product pricing in the business-to-business market?

References / Further reading

Key takeaways

Homework

## CHAPTER 8: SEVERAL WAYS TO SUPERCHARGE SALES

- 8.1 What is the easiest type of sale? Why? How can you ensure you get more via this route?
- 8.2 How do you increase client engagement and interest in your products?
- 8.3 How should you structure your sales team for growth?
- 8.4 How do you find out where things are going wrong if sales begin to dry up?

References / Further reading

Key takeaways

Homework

Appendix

## CHAPTER 9: MANAGING DURING A CRISIS AND HOW TO TURN IT TO YOUR ADVANTAGE

- 9.1 What should you do first in a crisis?
- 9.2 How do you prevent waking up at 4am, worrying about the situation the company is in?
- 9.3 How can you turn a crisis to your advantage?
- 9.4 How can you plan for unknown events?

References / Further reading

Key takeaways

Homework

## PART 3: WORKING TOWARDS A SUCCESSFUL EXIT

### CHAPTER 10: PREPARING FOR YOUR EXIT

- 10.1 How easy is it to sell a company?
- 10.2 What are the things to consider when timing your exit?
- 10.3 What options could you consider when selling the business and what are the differences?
- 10.4 What should you do first once you have decided to sell?
- 10.5 What are the risks to be aware of when taking your business to market?
- 10.6 What are large corporate companies looking for when acquiring smaller tech businesses?
- 10.7 What is a typical sales process?

References / Further reading

Key takeaways

Homework

## CHAPTER 11: WHAT IS MY COMPANY WORTH AND HOW MIGHT I GET A FULL PRICE?

- 11.1 What are the common methods used to value a business?
- 11.2 What should you do to create more shareholder value in a technology company?
- 11.3 What do you have to do to achieve a full price?
- 11.4 What consideration should be given to different deal structures?

References / Further reading

Key takeaways

Homework

## CHAPTER 12: HOW CAN YOU IMPROVE YOUR CHANCES OF A SUCCESSFUL SALE?

- 12.1 What should you do before you start a sales process?
- 12.2 When you start a process what things should you do to improve your chances of success?
- 12.3 What are simple things to do during the sales process to ensure it doesn't get quickly derailed?

References / Further reading

Key takeaways

Homework

## CHAPTER 13: WHAT HAPPENS NEXT? PROGRESSING THE BUSINESS UNDER CORPORATE OWNERSHIP

- 13.1 Closing the deal. What is it like?
- 13.2 Back in the Corporate World - How do you adjust to a new regime?
- 13.3 How do you improve your chances of achieving you earn-out working within a large organization?

References / Further reading

Key takeaways

Homework

## CHAPTER 14: SUMMARY AND PARTING THOUGHTS

### APPENDICES

Example: Key Components of a Confidential Information Memorandum

Example: Letter of Intent

Example: Due Diligence Check List (initial)