

The M&A Files

Steve Monnington of Mayfield Media Strategies presents a step by step guide to selling your business

Part Three: When is the best time to sell?

Timing is a critical factor in a successful sale and given the annual or biennial nature of exhibitions, this requires very careful planning.



MMS oftens get calls from organisers who want to sell one or more non-core products. Often non-core is code for "it's now slipped into a loss-making position and we need to get rid of it quickly".

There is often a strong reluctance to sell an exhibition while it is still generating good profits. However, if a top price is to be achieved it is essential to leave some good growth for the purchaser. So the optimum time in the cycle to sell is when the show is well-established in its sector but hasn't yet reached the peak of its growth curve.

Once the decision to sell has been made, the next decision is whether to sell before or after the show.

Our experience is that the best time to start the sale process is about two months before the next edition.

At this stage, the forecast revenue should be strongly underpinned by contracted sales. We generally advise our clients to sell just after the show takes place and to invite potential purchasers to see what they might be buying. This is an essential part of their due diligence.

A strong attendance and a good re-sign at the show for next year creates a great momentum for sale. Selling after the show rather than before also means that the seller will keep this year's profit.

However, some potential purchasers may have a strong preference to acquire just before the show takes place in order that they can announce the new ownership before or during and to use the show to cement key relationships.

Starting the sale process 2 months before the show still gives enough time to complete the transaction early if necessary.