



## **Boutique Consulting Firm acquired by larger Consulting Firm**

### **Mandate**

Throughout its twenty years of operation the owner of this Toronto based consulting firm established an excellent reputation in the industry, granting the firm membership on the preferred vendor list with the Ontario Government. The owner had grown the business and at this point in her career she began pursuing other business interests. Beacon performed a valuation of the business based on analysis of the firm's financial performance over the years. The uniqueness of this consulting firm was that it had no fixed assets and few full time employees, with the bulk of operations being outsourced by the owner whenever projects were undertaken. The value of this business lay in its preferred vendor status and subsequent ability to bid on exclusive consulting contracts through the Ontario government.

*“Beacon valued the consulting firm based on its potential future contracts, as opposed to on past performance and existing assets.”*

### **Implementation**

Based on an analysis of the industry, Beacon generated a fair market value price for the company and began working with the owner and her advisors to short list and pre-screen potential buyers. Beacon highlighted the ideal buyer as someone already well established in the consulting industry, and as someone looking to gain greater access on the Ontario government's preferred vendor list. Beacon solicited an existing profitable consulting firm that was exploring growth opportunities and looking to expand its operations in Toronto. Upon learning the details of our client, the Buyer recognized the possibilities that would exist from acquiring a smaller consulting firm with the status of being on the Ontario government's preferred vendor list.

### **Outcome**

The team at Beacon provided our services and support at every step of the way as we facilitated a sale that mutually benefited both the buyer and the seller. Beacon was able to value the consulting firm based on its potential future contracts, as opposed to on past performance and existing assets. After the due diligence process was completed, the buyer was able to successfully merge the operations of both firms. Beacon's client was able to exit the industry at her desired time and is now pursuing other business interests.

VALUATE. NEGOTIATE. CLOSE.