STS CAPITAL PARTNERS

INNOVATION SYMPOSIUM: WORK PLAN

STRATEGIES FOR MAXIMIZING YOUR EXIT

Harvard University, Cambridge, Massachusetts

INNOVATION SYMPOSIUM:

STRATEGIES FOR MAXIMIZING YOUR EXIT

Entrepreneurs and family business owners at some point face the critical decision of whether, when and how to exit their business. A strategic approach is needed to ensure that the process runs smoothly and brings the maximum return on investment. This means carefully preparing to sell, understanding your key business drivers, and properly marketing your company to strategic buyers.

The Innovation Symposium, Strategies for Maximizing Your Exit, provided an opportunity for business owners to learn and craft a perfect exit strategy. Business experts shared best practices and there were plenty of opportunities to network with like-minded private business owners. This unique Symposium was designed so participants would leave with a solid understanding of how to effectively plan a business sale and how to maximize the value of their business in a global marketplace.

- How do you know when the timing is right to sell your business?
- What can you do to make your company more attractive to potential buyers/investors?
- Are there different strategies you should employ when positioning with national vs. international buyers and strategic vs. financial investors?
- How do you get your business in front of the most qualified and strategically interested buyers?

This executive educational Symposium answered these questions and covered the many strategic decisions involved in any exit strategy and deal process, including:

- Proactively determining the optimum timing of an exit.
- Understanding the strategic and competitive drivers of your business that will maximize its value in the eyes of investors.
- Surrounding yourself with the right professionals who will have your best interests in mind.
- Planning for and navigating the various steps of the business deal.
- Reaching your personal aspirations as you transform your business success into personal victory.
- Looking back on the experience and knowing you made the right decisions.

The Innovation Symposium was held at Harvard University in Cambridge, MA, providing participants with a unique opportunity to learn from world-class authors, speakers and experts in areas such as life planning, private wealth management, financial strategies,divestitures, mergers and acquisitions.

The two-day Symposium was structured with interactive sessions using Harvard's proven case study model where participants learned from real life examples and worked with peers to solve problems. This format was complemented by in-depth discussions with business owners who shared their personal experiences, best practices, and the challenges they have faced when exiting.

Key learnings from the Symposium are detailed in this report.

CONTENT

“IF YOU TRULY WANT TO SELL TO A STRATEGIC [BUYER] AND DRIVE TREMENDOUS VALUE, THE MORE REDUNDANT YOU ARE IN THE BUSINESS, THE HIGHER THE VALUE THAT YOU CAN DRIVE.”

– John Ratliff, Director of STS Capital Partners

THE DECISION TO EXIT

JOHN RATLIFF

Director of STS Capital Partners

In 2012, on a scorching hot day in Chicago, I walked in to negotiate the final terms in the sale of my company, Appletree Answers. The tension level was through the roof. The negotiations were so heated that I walked out of the room twice. When it was all said and done, I left having sold my business for almost four times the industry average.

Finding a strategic buyer and exiting well are goals of most business owners, but it doesn't happen overnight. I started my business from scratch in 1995, a call center that I ran out of my apartment. It was a lone venture and in 1997, when my buzzer woke me up at 4am to answer a call, I had a make or break moment – rip that buzzer out of the wall and get the sleep I had been deprived of for so long, or continue on with the knowledge that it would get better if I just kept at it.

My decision was to keep going, and along the way, I built a company that would command a higher valuation when it was time to exit. From my experience, here are four factors that will drive value when you exit your business.

PREDICTABILITY

Perhaps the most important thing strategic buyers are looking for in a company is predictability. They want to feel comfortable that the business is going to create predictable results, and that the business will give a predictable return on investment.

One key part of predictability is consistency. Picture yourself as the buyer…what if you were looking at two companies, each predicted to do $100 million in revenue over the next five years:

- Company A: $15M, $18M, $20M, $23M, $24M
- Company B: $39M, $17M, $12M, $24M, $8M

Which company would you buy? Of course, you'd choose company A. You want the company with the most consistent and predictable curve.

THE DECISION TO EXIT

Predictability and consistency are not just about financials, though. They also show up in your processes and operations. At Appletree Answers, we began acquiring other companies in 2003. In 60 days we grew from one company to three, with acquisitions in Florida and Maine. Looming debt forced us to get clear about operational excellence and efficiency. We created processes and procedures that would allow our companies to remain predictable and consistent in our operations and outcomes, which was highly valued by buyers at our time of exit.

THE REDUNDANT ENTREPRENEUR

The entrepreneur is potentially a constraint to the exiting sale. Often business owners become so invested in their company that the business becomes part of their identity and they wonder, "How could this place possibly run without me?"
The answer is, it has to.

Being redundant means that you can step away from your business, and it will continue to function normally. If you went away for six months or if something happened to you and you couldn't assume your normal role, what would happen to your company? You must create a process that allows the business to operate without you there. This should be a goal even if you are not ready to sell, but when you do exit, being redundant can drive tremendous value.

Redundant doesn't happen overnight, but there are several steps you can take to get there. This includes:

- Set up a business operating system.
- Develop a strategic plan.
- Build a management team that understands the vision and goals of the business.
- Take yourself out of operations and day-to-day management.
- Transform your role into being the strategist who sets the direction of your company. Being redundant is important because a strategic buyer wants to buy a company that will produce results on its own, as an entity that is separate from you, the business owner.

RECURRING REVENUE

The value of recurring revenue goes back to predictability. Buyers want to see a high level of recurring revenue, so the financials are predictable and consistent. As a call center, Appletree Answers had about a 95 percent recurring revenue, which helped boost its value in the eyes of strategic buyers. However, there are ways for every business to create more recurring revenue streams.

To increase your value at the time of exit, you must begin thinking of creative ways to add a recurring component to at least some of your revenue. At the Symposium, one participant that owned a book publishing business, which was mostly transactional, told the audience how he had just purchased a marketing agency. He said that authors who publish a book with them are also interested in marketing that book, so a monthly marketing package adds a steady stream of recurring revenue.

Strategic buyers lean in and get really excited when the discussion turns to recurring revenue within your business. Start thinking of how you can make it happen in your own company today.

REMBRANDT IN THE ATTIC

Imagine that you are going to buy a house. The price is set at $500K, and that seems reasonable, so you get ready to make the purchase. But what if you had secret knowledge that there is an original Rembrandt painting hidden in the attic behind the wall-boards? Wouldn't you be willing to pay more than $500K for the house, knowing that there is extra value inside?

Every business has Rembrandts in the attic. These are things that add extra value for strategic buyers and can drive up the price during the sale. The problem is that if you've been running your business for a long time, your Rembrandts may be hiding or they could even be things that you take for granted.

At Appletree Answers, our predictability, recurring revenue and the fact that I was redundant were all Rembrandts in the attic. However, we also had another Rembrandt that interested strategic buyers.

> **"MY BUSINESS LIFE FLASHED BEFORE MY EYES, AND I SAW THE END. I KNEW IF I STUCK IT OUT, IT WAS GOING TO GET BETTER. IT WAS GOING TO SUCK FOR A LONG TIME, BUT IF I STUCK IT OUT IT WOULD GET BETTER. IN THAT MOMENT I THOUGHT, "I NEED TO STICK WITH THIS, I NEED TO DO THIS." I GATHERED MY THOUGHTS. I SIT DOWN. I ANSWER THE PHONE."**
>
> – John Ratliff, Director of STS Capital Partners

Call centers are known for their high turnover rates, with 100 percent being the industry norm. We too had a high turnover rate, but we decided to do something about it. We took a serious approach to company culture and core values and ended up bringing the turnover rate down to only 18 percent. The company that purchased Appletree Answers wanted to take our culture, values, process and systems and replicate them across their own 14,000 employees.

You should start looking for and highlighting your Rembrandts in the attic now, but you can also discover them through the exiting process through conversation and listening. Buyers will often over share, and you will start to understand your value to them. They'll tell you where they see your business fitting in with their own goals and strategies, the shortcomings they have, and what they like about your business that they want to add to their own. In discovering these Rembrandts, you should also be aware that different buyers will be interested in different Rembrandts; when Company A and Company B get in a bidding war during the exiting sale, they very well may be finding value in different aspects of your business.

These four factors will increase the value that strategic buyers see in your company and drive up the sale price at exiting time. But don't minimize the value you have for your own company either. One of my biggest tips is that "Due diligence is a validation process, not a renegotiation process." Until the ink dries and the wire has cleared the bank, always operate your company as if the deal is going to fall through. If due diligence turns into renegotiation, you have to be willing to commit to walking away from it all, or else you've given up all the authority, leverage and power you had in the deal.

"ALL BUSINESSES ULTIMATELY EXIT."

– John Ratliff, Director of STS Capital Partners

SCALING UP TO EXIT

VERNE HARNISH

Author and CEO of Gazelles

For 34 years, I have been helping companies scale up, and in that process, I have seen so many entrepreneurs blow it at the very end when it comes to selling their company. These business owners have made plenty of great decisions, even gut-wrenching decisions, in the years of running the company, but fall short when it's time to sell.

The fact is, success is the sum total of all the decisions that you make – including those all-important decisions made while exiting. Here are some lessons I have learned that will help you become a better decision maker when you decide to sell your company.

FOUR AREAS OF DECISION MAKING

When making decisions, you have to consider four key areas: people, strategy, execution, and cash. Every single decision you make must pass through all four filters. In an exit, this means you must ask:

1. Do you have absolutely the right people on the team in order to take the company to its best valuation?

2. Do you have the right strategy in terms of what you're going to do to exit the company?

3. What's your execution process for making sure that you follow through with your strategy?

4. How can you get as much cash out of the deal as you possibly can, and do you have enough cash to hold on through the exiting process?

It is your fiduciary responsibility to get as much cash as you can – a responsibility to yourself, your business partners, and especially if you are an ESOP. To do that, you must consider the S-curve and think about how you can use people, strategy, and execution to control industry constraints.

"SUCCESS IS REALLY TIED TO ONE THING, AND THAT'S THE SUM TOTAL OF ALL THE DECISIONS THAT YOU MAKE."

– Verne Harnish, Author and CEO of Gazelles

THE S-CURVE

There are no straight lines in business; everything in the universe follows a curve. The S is plotted out horizontally along an axis, and the area under the curve represents cash. The peaks and valleys represent times when things are going well and when business is slowing down.

A big question regarding the S-curve is at what point is it best for you to exit? Should you wait until you are at a peak? When you find yourself in a valley? Or somewhere in between, when the company is climbing or descending?

One of the fundamentally worst decisions most business owners make is to sell too late. They don't sell early enough because when the company is growing, they are optimistic. They've fallen in love with the business, and things have finally gotten fun. However, you have to remember that business is an S-curve. It is never a straight path and it won't last forever. You'll eventually hit your peak and then start to drop.

If you are selling to a financial buyer, you must sell early – at the point when you are most excited about the business. This is when you can convince the financial buyer that the business has legs, that it can go on forever, and that it can generate multiple times the amount that they are buying it for.

So when is the best time to sell to a strategic buyer? Ironically, the answer is at any point in the S-curve. The reason for this is held in the theory of Constraints, an idea proposed by Eli Goldratt in the book The Goal.

THE THEORY OF CONSTRAINTS

You can sell to a strategic buyer at any point in the S-curve – even if you're on the way down, flaming out, or in bankruptcy – and still have an outstanding exit as long as you can get the right people, strategy, execution, and can hang on long enough.

To get the best valuation, use the theory of Constraints to identify what the constraints are in your industry then figure out how you can control those constraints. This concept is best illustrated using real-life examples, and there are plenty to mention:

In my book Greatest Business Decisions of All Time, I talk about a decision by Robert Taylor in 1980. He had released a product called Soft Soap, the first mainstream liquid soap, and had sky-rocketed from $0 to $39 million in the first year. In the second year, his biggest constraint was competition, with Colgate-Palmolive watching and poised to enter the market. Robert looked at his product and isolated one of its most important features – the spring pump, which was made at a manufacturing facility in California. Robert went in and bought the entire world supply of spring pumps, thus blocking Colgate-Palmolive from the market. This forced their hand to buy the Soft Soap business for a huge sum of money.

Jim Cook is the founder of Samuel Adams, a beer that has been winning contests and striving to be the world's best-tasting beer. Other large brands want to knock him off; however, Jim controls the spot in Bavaria where the best hops are produced. In controlling that, he has a strategic advantage that the others can't access.

The business book Uncontainable is about a company selling waste baskets, containers, and organizing products. Their key product was a system to organize your closet or garage. When they heard that one of the big box companies was going to purchase the business that manufactured the line of bars they used in the organizing system, they worked out a deal to purchase the company themselves so they could control their own destiny.

Elon Musk is famous for sharing his ideas about electric cars. He knows he can't compete with large car manufacturers in Germany, and the Toyotas and Fords of the world. However, he recognized that one constraint in the industry is batteries. As he works to drive the market for electric cars, he knows he can control the vast majority of the global market share for electric batteries.

In 2001, Steve Jobs asked Bill Gates for $150 million, right when Apple was getting ready to launch the iPod. He took a big chunk of that money and locked the worldwide rights to the Toshiba Flash drive, the only one in the world that was small enough but also had the capacity to put 1000 songs in your pocket. By doing so, they could block other big names like Sony and Microsoft from entering the market.

Jack Harrington created a virtual technology company that built simulation technologies that could save lives on the battlefield, just at the time when we had entered the Iraq war. They got government contracts, but the employees couldn't keep up. They spent three months scouting for these needle-in-a-haystack specialists and hired 20 in 90 days. Nine months later, Raytheon bought the company for a large sum of money because it allowed them to control the biggest constraint in the industry – talent.

Ultimately, what you've got to do is identify where the constraint is in your industry, and then figure out how to get control of it. The way to think about it is: what's the thing that's driving everybody nuts in your industry? What's the biggest problem? What is the key to being the best?

You can't figure it out sitting in your own ivory tower. You've got to get out there in the marketplace, talk to people like your employees and customers, and listen. The marketplace won't tell you directly what the constraint is, but it will give you hints.

Identifying and then controlling the constraint in your industry will allow you to target strategic buyers. You will command a higher value and get more cash, no matter where on the S-curve you currently

FINISH BIG: BECOMING PART OF THE ELITE 7 PERCENT

ALLIE HARDING TAYLOR

Partner, Orange Kiwi

CEO/Owners are wired to build, not exit. !e very strengths that make them successful are the characteristics that hinder their ability to exit successfully. Finishing Big and becoming part of the Elite 7 percent means achieving the exit you want, with the terms and timing you want, and transitioning to a life of satisfaction and significance.

The reality is that most owners fall victim to the paradox of success and fail to maximize their most significant resource for achieving a competitive advantage for exit - time. Exiting is a journey that is measured in years not months. Owners that do invest the time and effort in the exploratory process not only realize significant gains in the strategic and execution phases but, they are more likely to be found among the Elite 7 percent in the transition phase.

WHAT DO OWNERS NEED TO KNOW?

They are "wired" differently. From the moment an entrepreneur begins their business or takes over an existing #rm they are putting their reputation, career, financial security, relationships, and identity on the line. Challenges come and go as a natural course of growing a business. As each new challenge is conquered the entrepreneurial characteristics necessary to build resilience required for long-term success grow. With each new level of success, the entrepreneur's self-identity is shaped by their experience, and their role-identity ("owner") is etched just a little bit deeper into their inner being.

As the business grows, the symbiosis between owner and entity grows. CEO-owners experience forces that shape their identity in ways others will never know.

Many CEO-owners have a secret and seductive fantasy that they can own and operate their business for as long as they desire and they will be able to exit on their own timeline and on their own terms. However, research tells us that one of the greatest challenges middle market owners face is that 70 – 80% of their businesses fail to sell.

One of the most consistent themes about why deals never get to market or fall out during the transaction is that owners are poorly prepared for the psychological experience. Kets de Vries of INSEAD and author of several books including "Family Business on the Couch"

> **"UNTIL YOU MAKE THE UNCONSCIOUS CONSCIOUS, IT WILL DIRECT YOUR LIFE AND YOU WILL CALL IT FATE."**
>
> – Carl Jung

points to this fact when he says, "Investment bankers, people acquiring entrepreneurial businesses, or individuals who work for an entrepreneur — anyone who deals with an entrepreneur — would do well to heed the complex drama playing in the inner world of these people; they will profit by looking beyond the surface of things."

As it turns out, beyond the surface of things is tremendously important. Not just for stakeholders, but for the owners themselves. A study by PwC revealed that nearly ¾'s of the owners profoundly regretted their exit within 12-months. Finishing Big and exiting on top is not just about getting the best terms, maximum value, or even completing a transaction. It is about living a life of significance and satisfaction after the exit and owners are best prepared by doing the hard exploratory work years before they plan to transition.

WHAT ARE THE MOST COMMON CHALLENGES OWNERS HAVE TO OVERCOME IN THE EXPLORATORY PROCESS?

1. Identity: The owner's identity can get fused with their role identity and answering the question, "who am I if not my business?" becomes difficult.

2. Personality: Strengths that made them successful in business may become weaknesses for exit.

3. Motivations: Addressing psychological needs that must be satiated for healthy functioning, but are met primarily through their role as owner.

4. Success: Tackling the paradox of success that results in blind spots and limitations impeding the owner's ability to achieve greater levels of success, particularly in the area of exit.

5. Resilience: Is essential for persevering through the difficulties, but can lead to the development of psychological castles that prevent owners from having to explore cognitive and emotional dimensions of their inner world.

6. Goals: Establishing a vision for exit and defining goals for MOM (Money, Ownership & Management).

CONCLUSION

By increasing your awareness, you have already taken another step on the journey to becoming part of the Elite 7%. Exploration is neither quick nor simple, but we help by translating experience and academic research into actionable insights that give owners a competitive advantage for successfully navigating their exit journey. Visit www.planfortransition.com/harvard for a few easy steps to keep you moving forward:

1. Download the Power of Exploration whitepaper.

2. Take our research based 15-minute online assessment designed with busy business owners in mind to discover your transition readiness.

3. Read "Finish Big: How Great Entrepreneurs Exit their Companies on Top" by Bo Burlingham.

4. Contact us for a free initial consultation.

> **"I'VE KNOWN FOR A LONG TIME THAT LEAVING MY BUSINESS WAS GOING TO BE A STRUGGLE, BUT I COULDN'T PUT WORDS TO IT. BEING ABLE TO NAME THE FEELINGS, KNOW THAT I'M NOT ALONE, AND LEARN THAT THERE ARE SOLUTIONS GIVES ME HOPE."**
>
> – Participant, Innovation Symposium

CASE IN POINT:
2015 M&A ADVISORS DEAL OF THE YEAR

ROB FOLLOWS
Chairman and CEO, STS Capital Partners

ISABELLA CATTELAN
Deal CFO, STS Capital Partners

Rob Follows has a successful history leading 100s of record-setting divestitures. Rob says, "In fact, in 2015, we received the Telecom Deal of the Year Award, presented by M&A Advisor. Working with this client, we turned a $40 million offer into a sale worth over $400 million to our client."

So what is the secret? How do you drive a higher valuation for your company at the time of exit? Here are nine STS Best Practices that you can leverage from the Deal of the Year.

1. BE CLEAR ON IDEAL OUTCOMES

Before you get to the negotiating table, you have to be clear on your outcomes; clear enough to distinguish between what is preferred as an outcome versus what is required as an outcome.

A required outcome is a "must have" - that you won't accept a deal without. A preferred outcome, is a nice to have.

How much cash up-front? What minimum price is required? Is your management team staying, a requirement? What other conditions are 'must haves' for the deal? If you can't tell your advisors what's required versus what's preferred, you're not ready to go to market.

2. THINK ABOUT LIFE AFTER THE DEAL

What are you going to do after your exit? You have to be clear on this, or else you are probably not emotionally ready to be at the negotiating table. We advise that you have a full team of professional advisors including M&A Advisors, tax specialists, specialized M&A Lawyer, investment specialists and perhaps a life coach so that you can be clear on how you will enjoy your success...or focus on significance.

> **"YOU MUST MAKE IT A WIN FOR YOUR MANAGEMENT TEAM...ALIGN INTERESTS SO THEY ARE PASSIONATE ABOUT SUPPORTING THE SALE PROCESS; EVEN THOUGH THEY MAY LOSE THEIR JOB."**
>
> – Rob Follows, Chairman and CEO, STS Capital Partners

3. STRENGTHEN YOUR ADVISORY TEAM

It's vital to identify strategic advisors – strengthen your advisory and management team's commitment to the sale process. Your value will go up with strategic buyers if you have a strong management team that can handle things as a team so you, the business owner, do not have to be involved in day-to-day operations. You must align the management team so it is on board with the transaction. You want everyone rowing in the same direction, together as a team.

Your management team will wonder how the transaction will affect them. We suggest making it a win for every member of the team, as big a win as possible. The CEO should create an incentive plan that accounts for employee salaries and income, and what is meaningful to them and their families. Since there is a potential for your team to lose their job when new ownership comes in (although this can be negotiated), you want to make it a big home run for them if the deal turns into a big home run for you.

4. FIND OUT WHAT STRATEGIC BUYERS VALUE

What is the strategic buyer looking for in the purchase of your company? These are the things that will increase the business's value and drive the price up.

To understand this, make sure to look at your business from the strategic buyer's perspective, to stand in their shoes. What are the critical success factors for them? What are they going to do with the business and how much money are they going to make owning it?

Understanding what drives value for strategic buyers, and positioning your company for this.

5. INCREASE ENTERPRISE VALUE

Before you sell, it is prudent to start looking for ways to increase your EBITDA number, which will increase the firm's value.

There are several ways to increase enterprise value. For one, you must really understand your expenses so you can prepare a normalized set of statements to present to the buyer. Most business owners keep books that optimize the least amount of taxes, but you must also create statements that optimize the maximum deal value. Normalization is about being assertive about your financials and adjusting your numbers to accurately reflect what the buyer is buying and future cash flow potential.

You can also increase enterprise value by making acquisitions. In our Deal of the Year, our client made two strategic and creative acquisitions that pushed value up, and we negotiated a percentage of the acquisition pipeline value.

6. WAIT BEFORE REQUESTING AN INDICATIVE VALUE

Although your financials should be prepared well in advance and ready to share when needed, you should always wait to request an indicative value - purchase price, until the buyer is in love with your business.

Conducting a successful business deal is a process, much like dating. It takes time to build a relationship with strategic buyers and to get them to the point where they really like and want your company. At that point, price will be less of an issue.

7. TALKING TO STRATEGICS NOW

If you're thinking about selling your business in two or three years, start finding creative ways to talk to strategic investors now. This will create opportunities for strategic investors to see value in your business.

Having conversations two years before the planned transaction date, allows you to set up and create the synergies, so both parties are comfortable, and the seller is on the radar of the buyer, early.

You can start initial discussions with four or five strategic investors at a time. At this point, you are not for sale; you are talking strategy or possibly joint ventures. However, these early conversations will help you figure out how to position your company with them.

"IN THE MEETING WITH THE "RST INVESTOR WE WENT FROM $40 MILLION TO JUST OVER $100 MILLION, TO $106 MILLION. LATER IN THE PARKING LOT THE CLIENT GRABBED ME AND STARTED SWINGING ME AROUND EXCLAIMING "I GOT $100 MILLION, MY FAMILY IS NEVER GOING TO BELIEVE IT...QUIET I SAID, SMILING, THE BUYER MIGHT STILL BE HERE."

– Rob Follows, Chairman and CEO, STS Capital Partners

8. KEEP THE SOFT AUCTION GOING

In our Deal of the Year transaction, the business owner started out with a goal of $40 million, but we were confident we could increase that number. I recall one meeting where we sat down with a buyer with a starting point of $40 million. By the end of the meeting, the figure was over $100 million.

Later on, when we were in the parking lot, the client grabbed me and started swinging me around, ecstatic about the $100 million dollar ofter. I told him that we could get a better deal, and to do so, he had to act like he was still going to market and not happy about the ofter.

You should maintain warm and honest relationships with each strategic investor. However, to get a higher value for your business you must stay in the market and continue discussions with strategics right up until close.

9. INCLUDE INTERNATIONAL BUYERS

In the Deal of the Year, we led with International Buyers, after the $106 Million local ofter, a Japanese buyer offered $120 million.

Beyond what other value your business offers them, many international buyers find value in U.S. businesses because it gives them the ability to enter the American market. In our negotiations, we had several meetings with strategic buyers from other countries.

If you are looking for international buyers to drive up the sale price a t your time of exit, it is wise to hire an investment banker that has international relationships and offices, in order to bring international buyers in to the process.

International buyers can always help drive the competitive "soft auction" price up, which of course increases the value of your business. This together with the other eight tips above should help you and your advisor achieve your own "Deal of the Year".

"SO PLEASE DO SET UP YOUR MANAGEMENT TEAM, DECIDE WHO IS GOING TO INTERACT IN THE PROCESS AND WHO'S GOING TO STAY FOCUSED ON THE BUSINESS AND MAKE SURE THIS IS A BIG DEAL FOR THEM. THAT IT'S A BIG WIN FOR THEM WHETHER THEY KEEP THEIR JOB OR NOT."

– Isabella Cattelan, STS Capital Partners

> “I KNOW WHAT IT’S LIKE FIRST HAND TO PRESIDE OVER THE KINGDOM, AND THEN SUDDENLY BE AN OUTSIDER WITH NO THRONE.”
>
> – Jimmy Calano, Cofounder and Former CEO of CareerTrack

WHAT TO EXPECT WHEN YOU SELL YOUR COMPANY AND WALK AWAY

JIMMY CALANO

Cofounder and Former CEO of CareerTrack

As co-founder and retired CEO of CareerTrack, I know what it means to sell your company and walk away. Jeff Salzman and I built CareerTrack into an international management and development company. We offered training programs on leadership and communication in 600 markets, 24 countries and four continents. When we sold the business in 1995, we had 700 employees and were doing 82 million in volume.

Over two decades later, I am still confident in my decision to exit. If you ask me about it, I will tell you that I'm a strong believer in selling. If you're sitting on the fence, I would tell you to take the money and move on. And then, afterward, stand on the sidelines for a while so you can contemplate the options for your life after exit. There are plenty of options available to you if you take the time to make an informed and rational decision about selling your company.

SHOULD I SELL? SIX REASONS I SOLD MY COMPANY

Everyone has different reasons for wanting to sell, and it's important that you have these sorted out before you bring your business to market.

Here are the main six reasons I sold my company.

1. I WANTED THE MONEY

I am not going to pretend this wasn't the most significant factor. I had an opportunity to sell before but hesitated, and the deal fell through. After that, I knew I was ready because I wanted the money. My wealth was tied up in CareerTrack – a wealth prison where 70-80 percent of my net worth lived. I wanted to release it.

2. I WAS NERVOUS ABOUT THE FUTURE

When I decided I was truly ready to sell, I was at a point where I found myself losing confidence in my industry and the outlook for my company. We had plateaued at $60M for a few years, then again at $80M for a few years. I knew we could get to $100M but after that, I didn't know how we were going to grow. I found myself feeling more afraid about what was around the corner than excited about the future potential of the business.

3. MY PARTNER WAS READY TO RETIRE

When CareerTrack was worth $20 million, my business partner, Jeff, told me it was enough for him. He was happy to take his 35 percent and leave. I kept pushing him to stick around another year, then another, so I lived on borrowed time for about five years.

I pushed him beyond his "get out" time, and if I am honest, the reason was because I lacked the confidence to carry on without his talent and daily involvement. He was a secret weapon at CareerTrack, and I also didn't think it would be as fun or as interesting to go solo. Since we started the company together, I decided we should end it together too, making a dual grand exit.

4. I WANTED TO RECLAIM MY LIFE

In building the business, I was working 70-90 hours per week for fifteen years. I'd get six hours of sleep and wake up exhausted in the morning and by evening's time I was brain dead. I was burnt out, and the business was an addiction that I couldn't control. My motto used to be, "Keep up with the competition Monday through Friday; pass them on the weekend." However no matter how much I worked, I couldn't get it all done. The business got every part of me, and I was ready to sell so I could reclaim my life.

5. I NEEDED TO JOIN MY FAMILY

At the time of the sale, I was two years into marriage and had a one-year-old son. I struggled to find the delicate balance between career and family, and I knew I never would and that balance because, for me, it was always one or the other. I had started a family, and I wanted to exit my business so I could join it.

6. I WANTED TO DO OTHER THINGS IN MY LIFE

I didn't want to work in the business all my life, to be doing the same thing at 70 as I was at 35. Fewer areas of the company were holding my interest and attention. I was tired of not getting to the books, hobbies, sports, and travel destinations that I wanted to experience and explore. I was tired of living my life on "someday" as in "someday I'll do this; someday I'll do that."

These reasons can serve as a stepping stone for thinking about your own exit. What are your reasons? Consider them. Contemplate them. Crystalize them. It's really essential to understand that your motives are sound and that they'll stand the test of time before you pull the trigger.

POST-SALE REFLECTION

I've had 20 years to reflect on my reasons for exiting and the exit process as a whole. When you exit, you will do the same. As I think about the series of events that occurred before, during and after the exit, I have no second thoughts or flat out regrets. That's not to say everything went perfectly. I got some things right and some things wrong.

WHAT WENT RIGHT

- Dress Rehearsal for Retirement - Before I made the decision to exit, I took a 90 day sabbatical to get a sneak preview of what my life would be like without the company. I read fiction. I traveled. I reconnected with family and friends. It shocked me that I had no trouble filling my days.

- Staying Ready – We had been talking about selling since 1987. We told ourselves that when the right deal was presented, we would accept it. That made us perpetually ready for a sale and prepared for when it did happen.

- Holding Out for the Right Price – We knew the number we wanted and would not settle for less. We were firm against buyers offering a lower price than we wanted. This firmness made them increase their offers to accommodate our demands.

> **"WHAT ARE YOUR REASONS? CONSIDER THEM. CONTEMPLATE THEM. CRYSTALIZE THEM. IT'S REALLY ESSENTIAL TO UNDER-STAND THAT YOUR MOTIVES ARE SOUND AND THEY'LL STAND THE TEST OF TIME BEFORE YOUR PULL THE TRIGGER."**
>
> – Jimmy Calano, Cofounder and Former CEO of CareerTrack

> **"I REMEMBER ONE DAY BLURTING OUT I NEED A MILLION MINUTES MORE THAN I NEED ANOTHER MILLION DOLLARS. THAT'S WHERE I WAS."**
>
> – Jimmy Calano, Cofounder and Former CEO of CareerTrack

- Experienced Advisors – During the process, I also turned to old pros to help with the deal: an eminent, local attorney who had done 80 deals in Colorado, and a table negotiator who had been involved in over 200 deals. These professionals helped me get more money from the sale. I advise all business owners who are thinking about exiting to assemble a 'deal swat team' before they take the company to market.

- Preparing Myself Mentally – I prepared myself mentally for how the deal may go – if it went through or if it stopped. I was prepared to hand over the keys and not look back, and I made a bucket list of things I would do after closing. I also prepared myself just in case the deal unraveled.

WHAT WENT WRONG

- Not Hiring a CPA – We relied on our house accounting team instead of hiring a CPA to scrutinize the selling document. We ended up in a half a million dollar sales clash with the buyer over legal language. We won but had to pay fees, and it also damaged our relationship with the buyer.

- Being Unaware of Tax Saving Options – I was focused on getting the deal done, but if I did the research and worked with a financial advisor, I potentially could have put more money in my pocket.

- Falling Prey to Post-Sale Buyer Antics – The buyer tried to lower the purchase price 18 months after closing the deal. They tried to cheat Jeff and me out of $12 million, a third of the purchase price, over a $10K issue. We ended up getting a summary judgment and won. But I was blinded because I didn't expect a bad faith move; I wasn't skeptical enough and didn't ask the tough questions upfront.

PROTECTING YOUR MONEY AFTER THE SALE

After the sale, you must focus on protecting your money. Unfortunately, many business owners make mistakes after exiting that cost them their money and their legacy. Here are a couple of anecdotes about people I know (but who will remain anonymous):

- One business owner lost $6 million (20 percent of his net takeaway) just 18 months after selling the company. He was too eager to invest and too willing to trust the wrong financial advisors.

- Another business owner sold his company and went from $35 million to zero in 15 years. He made angel investments that didn't pan out, experienced some bad timing on real estate projects, and overspent his hard earned money.

You may look at these stories and say, "This won't happen to me." But I know firsthand that even if you are careful with your money and aren't trying to take big risks, you still can make mistakes. Within five years I lost $3 million of my proceeds. Here is my advice:

- Don't try to double your money. It won't change your life, and you just might lose everything.

- When you look at risk, make sure to see the potential losses, not just the potential gains.

- Don't leave it to the experts. I hired four different financial advisory firms to manage my net worth, and none of them panned out.

Regarding that final point, I remember losing $700 thousand in one week and realized that I could do it myself; I didn't have to pay someone six figures to lose that kind of money.

After exiting your business, I advocate being smart with the money that you have worked so hard to earn. For the past five years, I have been a very active investor. Investing prowess is a valuable skill to acquire after you exit your business, and it will make you a responsible custodian of your sale proceeds.

LEGACY, THE GIVING OF LIFE'S GREATEST TREASURES, AND A LIFE WORTH LIVING

DR. LLOYD REEB
Halftime Institute

An important part of selling your business is deciding what you are going to do in the next chapter of your life. A growing number of us reach a certain point in our lives when we look up from our desk and wonder if there is more to life than this? This is the concept of "Halftime" – that point in your life when you realize that simply having more success is not enough, and you begin to think about what can give the second half of your life more meaning, purpose, joy, and balance.

After a flourishing career in real estate, I transitioned to helping other successful men and women through their Halftimes. For 17 years I've been with the Halftime Institute, and throughout more than 11,000 hours in one-on-one coaching, I have helped people reinvent themselves in the second half of their lives.

The concept of Halftime is relatively new. 100 years ago, the average life expectancy was only 47. Today when you reach 47, you still have 30 or more bonus years of your life left. Will you continue to do the same thing, or will you explore the other callings in your heart?

The type of work performed back then was different too. 100 years ago you likely had a physically demanding job on a farm or in a factory. We are now knowledge workers, and our best contributions can be made after the age of 50. When we sell the company and retire, we don't think that our best years are behind us. We look forward, eager to make it so that our best years still lay ahead of us.

That said, there is no university for the second half of your life. People often go into it unprepared, which is why we've set out to create a university of peer learning to help you think about your second half. Here are some key lessons that can help you navigate your own Halftime.

REFLECTION AND THE LEARNING CURVE

Halftime is a time for reflection. It is a midlife pause when you take the time to look back, take stock of who you are and what matters, then look ahead to dream and reinvent yourself. It's important to take a Halftime break because when you follow your first-half dream too long and too hard, it always turns over on itself.

Perhaps the thrill of the deal is gone. Or maybe a close friend dies at your age, and you wonder how much time you have left. Your last child may leave for college, making you realize that you have your whole like in front of you. And some people sell their company and lose their identity, only to cling to it later on as they use who they used to be to define who they are today.

Halftime is the realization that you can put your passions and skills to work and reinvent yourself – to create a vision for the second half of your life, a clear sense of what your purpose or mission is.

That said, there is a learning curve that must be tackled. You must learn new things and form a new identity. You have been rewarded for working at a feverish pace, and now you must detox, step back, and reflect. You may be used to managing your own team and company, but in Halftime you have to learn how to manage yourself and your own life.

Because of the learning curve, it's best to start thinking about your second half before your exit:

- What do you really care about?
- How can your talents be redeployed?
- What kind of difference do you want to make in your life? In the world?

If you can take the experience and wisdom that you have gained in your first half and combine it with what you care most about, you can create a beautiful, captivating second half, which may or may not involve selling your company.

"A GROWING NUMBER OF US REACH A POINT IN LIFE WHEN YOU KIND OF LOOK UP FROM YOUR DESK AND YOU WONDER IF THERE IS MORE TO LIFE THAN THIS? IS THERE SOMETHING ELSE TO GIVE MY LIFE MORE MEANING AND PURPOSE THAN JUST GROWING MY NET WORTH?"

– Dr. Lloyd Reeb, Halftime Institut

"THE SECOND HALF OF YOUR LIFE – LIKE AFTER THE SALE OF YOUR COMPANY – IT COULD BE THE VERY BEST SEASON OF YOUR LIFE."

–Dr. Lloyd Reeb, Halftime Institute

COMMON HALFTIME MISTAKES

In the hundreds of people I have mentored, I have noticed a number of common mistakes that people make during Halftime. Understanding these missteps will help you avoid them when you're planning your own second half.

1. NO LONG TERM METRICS

Even the most seasoned executive very often has no long-term metrics for their second half. They don't know what their goals are and what they want to achieve during the second part of life. It is important that you have a plan and that it is measurable.

2. JUMPING TOO QUICKLY

Many don't take adequate time to define their purpose and mission statement. They find multiple opportunities coming to them; they just start saying "yes" to everything, and they end up getting "sloppy busy." Don't jump to a solution right away. Take time to think about who you are, what you are about, and what you would do the rest of your life even if you were not paid for it. Find the thing that will bring you joy and money will follow.

3. GOING ALONE

Others decide to go on the journey alone, but you should align yourself with those around you, for example, your spouse and your children. Creating a plan for what you will do with your life requires you and your spouse to dream separately and then plan together.

4. NOT DETOXING AFTER THE SALE

After the sale (or ideally before the sale) you should go through a detox period where you contemplate the future. Many people start the second half of their life on the wrong foot because they did not take the time to reflect and then determine their next steps. Think of it like an Olympic swimmer approaching the wall. After the turn, they take a moment to glide and calculate where their next stroke will be.

TWO IMPORTANT ELEMENTS OF HALFTIME

If you are thinking about reinventing yourself after the first half of your life (whether you are selling your business or just transitioning to a new role), there are two essential things you need.

1. A PROCESS

The process I encourage my mentees to use is "Get clear, get free, get going." Start out by getting clear about who you are. Think about your passions and strengths then create a clear and measurable mission statement for the second half of your life. Next, look at your time and money and decide what you are doing now that is low value and that can be cut out. This will free up your time and money so you can start listening to your heart and people around you. Finally, get going by trying things out. Explore your options to find what suits you best.

2. CASE STUDIES

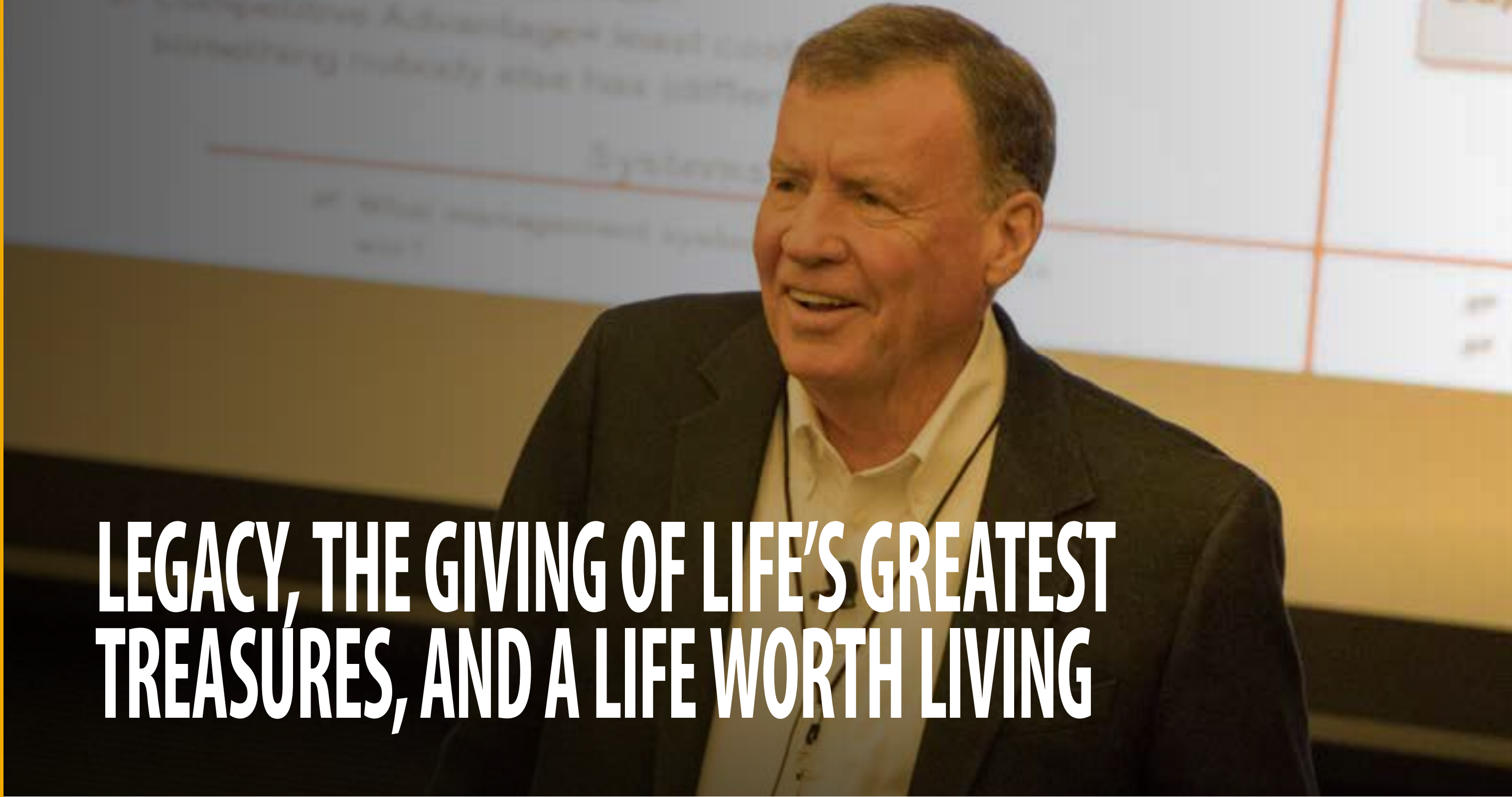
If you isolate yourself and try to think through Halftime on your own, you will miss the perspective that peers and coaches can bring. Often times they can see your strengths and see opportunities that you might have missed. At the Symposium I shared several case studies, including:

- Clark Millspaugh – A Tulsa oil and gas businessman who, after a trip to South Africa, realized he wanted to help the less fortunate. He came back to Tulsa, sold his company and created a nonprofit grocery store and many educational programs. He died of cancer five years later, but with vision and focus, he was able to enjoy a meaningful second half.
- Tana Greene – Tana had gotten pregnant at 16 and was then abused by her husband. When she broke free, she swore that she would own a home by 26 and own her own business by 30. She built her business then used the second half of her life to help those involved in domestic violence. She is currently a chairwoman at a domestic violence center and has written a book about her experience.
- Kenneth Young – Kenneth was a 57-year-old owner of a tea company. In his Halftime reflections, he identified his passions – photography and orphans in China. Instead of selling his company, he hired a COO and moved into a chairman role. He went to China to capture compelling photographs of disabled orphans, then put them on the back of the company's tea boxes, and drove people to a nonprofit website where they could donate to the cause. He ended up winning the nonprofit of the year award in China.

Each one of these people got clear on who they are and what they care about. They built long-term metrics into their life before launching their second half. Their stories can help disrupt your mental model so you can think about your own second half in a different light.

The second half of your life – after the sale of your company – could be the best season of your life. Take time for reflection during Halftime so you can reinvent yourself and add more purpose and meaning to your life in the second half.

> **"WHEN YOU TAKE ALL THE EXPERIENCE AND WISDOM THAT YOU HAVE AND COMBINE IT WITH WHAT YOU CARE THE MOST ABOUT AND THE DIFFERENT YOU MOST WANT TO MAKE IN LIFE, YOUR SECOND HALF BLOSSOMS INTO SOMETHING SO BEAUTIFUL AND CAPTIVATING THAT IT TRUMPS THE IDEA OF JUST SELLING OUT AND MOVING TO LEISUREVILLE."**
>
> – Dr. Lloyd Reeb, Halftime Institute



LEGACY, THE GIVING OF LIFE'S GREATEST TREASURES, AND A LIFE WORTH LIVING

JACK STACK

Founder, President, and CEO of SRC Holdings Corporation

In 34 years of building companies in the Midwest, I have learned the business is a game. By teaching strategy to employees, the people in my businesses have become empowered players, helping to transform the business from an 89 to 1 debt ratio into a company worth $500-600 million. Here is a peek at our playbook.

DOWN 89 TO 1 – A COMEBACK STORY

In 1983, my partner and I purchased the local engine manufacturing company that we worked for and soon learned that although we were trained to build engines, we were never trained to run a business. After being turned down by 50 financial institutions in two years, we ended up negotiating a loan with a bank that was in turmoil. On February 1, 1983, we purchased the company with $100,000 down and an $8.9 million loan at an 18 percent interest rate.

What we learned in the journey to raise capital is that our degrees in manufacturing didn't matter, nor did our skills in building great products. There is a whole new metric system out there in terms of running a business. The game had begun, and we were already behind, with an 89 to 1 debt to equity ratio.

The first thing we did was put shareholder agreements in place, wanting all employees to feel that they had a personal stake in the company. Our $100,000 equity was cut into a million shares at 10 cents a share. Included in the agreement was that if any member wanted to leave, they would get 10 percent at the point of exit, with the remaining balance paid over a ten year period. The Employee Stock Ownership Program was one of the smartest moves we made.

The next thing we did was to begin teaching our employees about the business – more specifically, the game of business. In doing so, we were able to transform minds and even lives. People began to think not only about the product we produced but the business in a more general sense.

> **"WHAT WE HAD LEARNED IN THAT JOURNEY TO TRY TO RAISE CAPITAL WAS THAT IT REALLY DIDN'T MATTER ABOUT OUR DEGREES IN MANUFACTURING, OR OUR DEGREES IN TERMS OF BUILDING GREAT PRODUCTS, BUT THAT THERE IS A WHOLE NEW METRIC SYSTEM OUT THERE IN TERMS OF RUNNING A BUSINESS."**
>
> – Jack Stack, Founder, President, and CEO of SRC Holdings Corporation

> **"WE USE THE CONCEPT OF A GAME TO TEACH OUR PEOPLE TO DEVELOP A LEARNING PROCESS. TO TEACH PEOPLE TO BECOME BIG BUSINESS PEOPLE WITH IDEAS OF EXITS AND FULL OF OUTS."**
>
> – Jack Stack, Founder, President, and CEO of SRC Holdings Corporation

Many were worried that they couldn't understand financials, but we simplified it so we could teach everyone the metrics of business – balance sheets, income statements, cash flow statements, debt, and debt to equity. For every dollar of debt we could get down, we would avoid 18 percent interest so we could take a piece of that and put it into a bonus program. We ran the business as if we were going to sell it at any moment. Selling became an objective, so we worked as a team to build value in the company.

After the first year, we had our debt to equity ratio in line.

DIVERSIFICATION AND THE HUDDLE

Our strategy early on was to focus on the debt to equity ratio and emphasize job security. Everyone came together to get our ratio in line, and after that, a conversation with a janitor led us to adopt a second strategy.

The janitor came to me. Like all employees, he had been looking at the financials in weekly meetings. He mentioned that 76 percent of our receivables were in the truck market. Since the truck market has a recession about every four years, he pointed out that we were not diversified enough, so it didn't matter if the debt to equity ratio got in line. When the next recession strikes, we wouldn't be able to handle the downturn and people would get laid off.

We began to realize that there is more money in building and selling companies than there are in truck engines, so we started thinking about creating more companies. We went to an OEM saying that we wanted to grow with them. We proposed setting up a subsidiary where we would each put in X percent. Our first joint venture happened in 1987 and triggered a wave of other diversification strategies in the years to come.

Knowing that business is a game, our weekly staff meetings were called "huddles." We shared financial statements and showed how each employee was accountable for their part in how the company was performing. Giving employees accountability on the financial statements created a sense of ownership and made everyone come together as a team. The income statement was our scorecard, and with it, we could evaluate how each person was doing and what value they were creating inside the company.

Suddenly people within the company started coming up with their own individual business plans. For example, we were throwing away oil coolers and one person came up with a plan and process to save and reuse them. He built his business plan off the knowledge of seeing our business plans every single week. He was given $60,000 to create this business, which would restore oiler coolers which could then be used by our company. Ten years later, someone offered $12 million for that business.

But the point is not to stay in the oil cooler business or any business for that matter. As soon as you are up and running, and you see cash flowing, it is time to diversify.

In 34 years we ended up spinning off 60 companies, including a bank which we eventually sold and a starter and alternator business that is now valued at $23 million. 14 of our companies were sold. Others were closed or merged. Today we have about 26 different companies.

WINNING THE GAME

By focusing on value and cash flow with the intent to sell, we have enriched the lives of people in our business, in the very small town of Springhill, Missouri. Here is the financial aspect of it. For example, the Employee Stock Ownership Program started at $0.10 per share and is now up to $400 per share. Over 40 employees have left with over a million dollars each.

But there is also the cognitive and spiritual enrichment. We used the concept of a game to teach our employees things like exits, valuations, appraisals and strategy. When we got people to the point of 'getting it,' it literally changed people's lives forever. They began to think differently. They did not just think about creating a great engine. They began to think about different markets, and they thought about different opportunities.

The innovation, creativity, and entrepreneurship that has blossomed from our company has lured Fortune 500 companies to the area, benefiting our community. And within our walls, employees are empowered, knowing that they have opportunities within the company.

On February 1, 2018, I have an exit strategy of my own. We are planning a big celebration, as we do every five years. My idea is to walk offstage, turning the company over to the people who we have been training and growing all these years. They have successfully learned the game of business and are capable of leading the company into the future.

"WHAT BIG GOAL ARE YOU GOING TO LEAVE HERE TODAY AND THINK ABOUT SETTING THAT THINGS LIKE SELLING YOUR BUSINESS CAN SUPPORT?"

– Rob Follows, Chairman and CEO of STS Capital Partners

EVERYONE HAS THEIR OWN EVEREST: WHAT IS YOURS?

ROB FOLLOWS

Chairman and CEO of STS Capital Partners

The Innovation Symposium: Strategies for Maximizing Your Exit was designed to teach business owners how to transform their business success into personal significance. Using mountain climbing as an analogy, it is about identifying your own Mount Everest – big goals in your life that you haven't set yet but which could be supported by strategically selling your business. Before the sale, it is important to step back and set goals that inspire you.

SUCCESS TO SIGNIFICANCE

To turn your success into significance, one popular life planning question to ask yourself is: "If I had all the time, talent and treasure that I needed, what would I do and what could I do?" How could you take your talent and leverage your treasure to make the world a better place?

In my own experience, selling your business can help support your life goals. I sold AIM in 1992 and that put me on the path to create two organizations. One is Altruvest, a charitable services organization that helps charities to be better perceived by donors and deliver more donations to charitable causes through board governance, training, and matching people on the boards of charities.

The other organization is STS Capital Partners, which stands for Success to Significance through Selling to Strategics. At STS Capital Partners we are trying to get the message out to more people that you can sell your business to strategic buyers and transform that success into personal significance that improves the world around you.

SELLING TO STRATEGICS

The goal for private equity and venture capital is to pay as little as possible. It's a good business for those who own it, in terms of making money, but for families and entrepreneurs who are selling their businesses, it's costly because they will try to buy for as little as possible then go on to position with strategics to resell and maximize the ROI for themselves.

Our view is that people ought to realize that there is a choice and you can sell to strategics as well. Let's think about this: can you leverage your products, your intellectual property, your management skills, your technology, your customers, your market, or something else for strategics? Think about the value of your business to the strategic investor. Would it be the intellectual property? The geography you're managing? Your management strengths? What is your value and how will it deliver a competitive advantage for the strategic buyer?

THE PATH TO ACHIEVING YOUR EVEREST GOALS

Financial investors are a middle man and strategic investors are end users. Financial investors are looking for one of the six D's in your company (death, disability, debt, disease, divorce, disenchantment) so they can buy low. At the same time they are also talking to strategics, leaking your information and saying, "This guy is a real mess but we're going to clean him up and bring him to you."

The simple message here is that you can do that yourself. While trying to avoid the six D's you can also be proactive rather than reactive, you can be prudent and position well with a strategic buyer.

Whatever your mission is, your big goal, your Everest, if you maximize the value in your business and exit by finding strategics, you will be paid more and you will have an opportunity to build an even more successful legacy and help to make the world a better place.

Remember: you can maximize value on your exit if you proactively plan it, talk to strategics, use strategic positioning, bring internationals in, and understand the difference between financial and strategic buyers. What big life goal do you have that selling your business, getting the highest price and the best terms and conditions, can support? Selling to a strategic is a path to supporting your Everest goals.

"OF COURSE, THIS ISN'T ABOUT YOUR EVEREST. IT'S ABOUT ENCOURAGING YOU TO STEP BACK AND SET YOUR OWN GOALS THAT INSPIRE YOU AND CAN POTENTIALLY MAKE A DIFFERENCE...AND HOPEFULLY, MAKE OUR WORLD A BETTER PLACE."

– Rob Follows, Chairman and CEO of STS Capital Partners

ABOUT THE STRATEGIC INNOVATION SUMMITS AND SYMPOSIA

The Strategic Innovation Summit and Symposia series was convened to enable multi-disciplinary discussions of senior leaders on relevant topics of the year. Unlike conventional, discipline-specific conferences, where topical content is narrow and participants are generally from the same discipline, the Summits bring together people from many sectors. These include government, business, education, non-profit, and the arts and sciences.

The goal is to create and stimulate conversation that would normally not take place elsewhere, between senior leaders on important topics related to innovation and society.

THE SUMMITS AND SYMPOSIA PROVIDE THREE IMPORTANT BENEFITS TO PARTICIPANTS

1. Education – As experts in their fields, participants learn from one another through interactive sessions and dedicated talks. These aim to educate, raise important questions, and present the latest data on trends and the current state of the Summit topic.

2. Multi-disciplinary Engagement – The Summits are sized such that even during the main session, a conversation can occur amongst all participants. Questions and answers are not only between the speakers but also the participants. Facilitators and moderators from HBS, TECH, and other centers are brought in to ensure engagement and to be a catalyst for the conversation.

3. Action – The ultimate goal of the Summits is impact. For this to happen, action is a critical component. The summits dedicate approximately 25 percent of the time to action sessions with the participants. That format drives the discussion and ideas presented into an action set for both the participants and the broader community.

Attendance is by application only, and senior leaders from any discipline that is relevant to the topic are encouraged to apply. Summits are generally convened on the campus of Harvard University; however off-campus Summits do occur when the topic and location enhance the opportunity for conversation and engagement of the participants.

Topics are proposed by participants, senior leaders in industry and government, and the Fellows in TECH. Topics are chosen based on relevance and potential for impact in a broad sense, to include economic, societal, and environmental benefits.

For more information about the Strategic Innovation Summit series, please contact the Program Chair, Professor David S. Ricketts (ricketts@seas.harvard.edu).

MAKE YOUR EXTRAORDINARY EXIT HAPPEN TODAY

Technology & Entrepreneurship Center at Harvard

HOSTED BY:

The Technology and Entrepreneurship Center at Harvard (TECH) hosts the Strategic Innovation Summit. TECH, part of the Harvard School of Engineering and Applied Sciences, is both a real and virtual space for students, faculty, alumni, and industry leaders to learn together, collaborate, and innovate. TECH enables this holistic exploration by sponsoring and supporting opportunities for the innovation community to gather and exchange knowledge via courses, study groups, mentorship relationships, innovation programs and special events.
Find more information at www.tech.seas.harvard.edu

STS CAPITAL PARTNERS

IN COLLABORATION WITH:

STS Capital Partners (Success to Significance through Selling to Strategics™) is an international, boutique mergers and acquisitions firm, specializing on sell-side consulting and providing advisory services to mid-market private businesses. STS helps entrepreneurs and family business owners transform their business success into personal significance - by maximizing value when selling to international strategic buyers. With a global team of 200+ M&A specialists, partners and industry advisors, STS has extensive global reach and access to strategic investors, and is committed to generating optimum results for clients.
Learn more at www.stscapital.com

CONTACT INFORMATION
theinnovatorsforum.org
marketing@stscapital.com