



Building with the End in Mind: Selling a Business with John Warrillow

You can't work on your business forever — you need to think of an exit strategy as early as now. But before you can reap the fruits of your hard work, you must first build value. Otherwise, acquirers might only be willing to buy your business for pennies on the dollar.

In this episode, we talk about how to build, accelerate and harvest your company's value. We discuss why it is crucial to separate yourself from our business. We also tackle John Warrillow's teachable, valuable and repeatable (TVR) process. It is a helpful tool in analysing which of your products and services can provide the most value to your company. We also tackle why the subscription model is better than the retail model.

Tune in to the episode and answer this activity to help you accelerate your company value with the end goal of selling your business profitably.

QUOTE TO REMEMBER

'And what I learned later, was that for a company really to be valuable, it has to sort of be able to thrive without the owner.'

Activity: How to Build Company Value and Reap the Benefits

To generate company value, you have to separate yourself from it. Can your products and services thrive without your hands-on involvement? How can you begin to have your business run without you?

Your business will not grow as long as it relies on your delivering products and services as commodities. You can differentiate your offerings by identifying their teachable, valuable, and repeatable attributes. What are these attributes in your business, and how can you exploit them to your advantage?

Your Product/Service	Teachable Attributes	Valuable Attributes	Repeatable Attributes

Productising your offers is also a great way to build your company's value. How can you productise or tokenise your products or services?

If you can't hire a mergers and acquisitions professional, you need to identify investment theses yourself. Based on what you've learned from the episode, draft a few that apply to your company's situation.

Investment Thesis Draft
1.
2.
3.

Your business needs to be agile to become more attractive to acquirers. This quality will also allow you to withstand many unforeseeable challenges, such as the pandemic. How can you make your business more agile?

To create more value in your business, you need to establish yourself within a niche. Acquirers are keener on buying something that takes time to build. How can you differentiate your company from the market? Which of the products or services that you put through the TVR process shows the most potential?

Subscribers are better than customers because they generate recurring revenue. For example, H.bloom used a subscription model in a traditional retail business. How can you create recurring

revenue for your business? Think of some ideas and list them down below. Feel free to come back to this activity whenever an idea strikes you.

1. _____
2. _____
3. _____
4. _____
5. _____

What You'll Learn From This Activity

As long as your company is dependent on you to run, you'll never see real growth in your business's value. Completing this activity will help you understand how to make adjustments so that your company can run smoothly without you.

To build more value for your business, you need to identify your products and services' TVR attributes. Are they teachable, valuable and repeatable?

Likewise, building with the end in mind — even if you're just starting out — can make your business attractive to acquirers. This activity allows you to reflect on your business decisions, and insights from the episode will help you identify investment theses. You can then make informed choices even without the help of an M&A professional.

Lastly, this activity will help you understand why subscribers are better than regular customers. Subscribers give you a steady stream of recurring revenue. And if you sell products, this business model will help you easily quantify your clients' demands and bargain with your supplier.

Ultimately, the goal of this activity is to give you a foundation to learn how you can accelerate the growth of your company value with the end goal of selling it profitably.