

## CASE STUDY: DESIGNING A BUY-OUT

### OVERVIEW

A food manufacturing company owned by two long-term friends, one healthy, the other not so healthy. Bob Unhealthy wants out, Joe Healthy wants to stay. Revenues currently \$15M and profitable.

### CHALLENGES

Bob Unhealthy believes the business has great long-term potential and wants his family to be able to realize that value if he is not able to sell his interest during his lifetime. Joe Healthy is willing to tag along if they get a great offer; otherwise he wants the business to grow.

### S|A|K FINANCIAL SOLUTION

After spending a great deal of time with each of them and interviewing their wives and children (who are currently active in the business), we designed a buy-out arrangement which meets the objective of each partner. We brought in an investment banking group to determine the company's value and to pursue potential buyers for all or part of the company.

