

CASE STUDY:
COMPENSATION PLAN
LEADS BUSINESS TO SELL
AT HIGHER MULTIPLE

OVERVIEW

A trucking company owned by two long-term friends. It was a bi-coastal company with offices in L.A., Detroit and New Jersey. Approximately 700 employees, of which 26 were the "sales" team. Revenue at \$125M.

CHALLENGES

Trucking companies at their revenue level were selling for a multiple of 4 times EBITDA. The two owners wanted to sell, but not at that level. At \$250M of revenue, trucking companies were selling at 7 times EBITDA. That was their objective.

S|A|K FINANCIAL SOLUTION

After interviewing the owners, senior staff, and all 26 sales people at their locations, we designed a bonus plan that distributed to the sales team 50% of the excess EBITDA over the target number needed to achieve their revenue target within a 5-year period. The owners ultimately sold the company for \$60M

