

## Ten Reasons Businesses Don't Sell

Many well-run businesses never sell—not because they lack value, but because they are unprepared for the scrutiny of the market. We have seen profitable companies lose momentum when financials cannot be clearly explained, deals stall because key employees or customers are overly concentrated, and transactions fall apart late in the process due to unresolved legal, operational, or personal readiness issues. In nearly every case, these challenges were identifiable—and addressable—well before going to market. At George & Company, we believe successful outcomes begin with preparation. This document is designed to help owners understand the issues that cause deals to fail and take proactive steps to position their business for a confidential, efficient, and successful transition.

### **1** The Value Gap: When Expectations and Reality Don't Match

Every so often, we sit down with business owners who genuinely believe their company is worth far more than the market can support. One meeting in particular has stayed with us. Three partners were exploring the idea of selling. Their financials suggested a market value of roughly **\$750,000**, but when we asked what they believed it was worth, they didn't hesitate:

"We want **\$3 million**. There are three of us, and we each need a million to retire."

It was an honest answer — and a common one.  
So we gave an honest response.

We walked them through what the business *would need to look like* to justify a \$3 million valuation. We showed them the financial performance required, the margins, the growth, the metrics buyers expect. And then we told them the truth: until those numbers were reached, they would need to keep working.

Some advisors take the listing anyway, hoping to "manage the client down later." That's not how we operate.

We chose honesty over convenience. They chose to keep growing. And more often than not, owners who experience that level of honesty come back — because trust has a long memory.

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## 2 Hidden Perks, Missing Data — and a \$3 Million Turnaround

We were asked to review an **\$8 million niche manufacturing company** generating **\$1.1 million in EBITDA**. On paper, it looked straightforward. But once we began our valuation, we uncovered some serious problems: inventory inconsistencies, work-in-progress not properly tracked, and several non-GAAP accounting practices that distorted the real numbers.

Based on what we found, the business would likely be valued at **\$6 million**, not eight.

We presented the owner with two paths:

1. **Take it to market now** and accept that lower valuation, or
2. **Clean up the books**, even if it meant paying more in taxes, to reveal the company's *true* earnings power.

He chose the harder path — the disciplined one.

Over the next three years, his EBITDA grew to **\$1.7 million**. When we returned to the market 36 months later, the asking price was **\$9 million**, and multiple offers came in at that level.

Clear numbers create real value.  
And disciplined sellers are rewarded for it.

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## 3 When You're Too Essential to Sell — Find a Partner, Not an Exit

A wood-products manufacturer generating around **\$3 million** came to us, not because they wanted to sell, but because they were exhausted. The business depended entirely on the two owners — they couldn't step away for a week without everything grinding to a halt.

Selling wasn't an option. No buyer wants a company that collapses when the owner walks out the door.

But growth wasn't an option either — they were too busy working *in* the business to work *on* it.

So we explored a different solution:

Find a partner who could step in operationally, while the owners rolled a portion of equity and took some chips off the table.

They did exactly that.

Nine years later, they are still part of the company, but the business has doubled. The new operational partner plans to bring us back in to sell the business in the next 24 months so the founders can fully retire.

Sometimes the right answer isn't a sale — it's creating the structure that leads to one.

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## 4 The 70% Customer Problem — and the Buyer Who Finally Fit

A CNC machine shop valued at **\$7.5 million** struggled with a challenge we see often: **70% of its revenue came from one customer.**

We worked diligently for two years. Offers came in, but every path forward required two things the owner refused:

- Carrying any seller financing,
- Risking the company relocating and employees — including his son-in-law — losing their jobs.

At one point, selling the business to the son-in-law (the GM) was discussed. We met with him, laid out the realities, and he decided he wasn't willing to assume that level of risk.

So we pulled it from the market.

Eighteen months later, while selling a *similar* company, we met a buyer who turned out to be the perfect fit. The owner felt comfortable enough to carry **75% of the deal as a seller note**, and five years later he cashed out fully.

Today, a decade later, he is retired on a lake.  
The new owner has successfully diversified the customer base.  
The son-in-law is still the GM.

Right buyer. Right time. Right outcome.

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## 5 When an Industry is Declining — the Buyer May Already Be Inside the Building

A **\$7 million commercial printing company** was preparing to go to market, but the industry was shifting. Margins were tightening. Competition and technology were changing the landscape.

Before we launched the listing, something surprising happened:  
The company's sales manager approached the owner about buying the business.

We helped structure a deal using an SBA 7A and 504 program that worked for everyone involved. The owner stayed on for a year to support the transition, then moved to Hawaii to enjoy a well-earned retirement.

Years later, that same new owner came back to us for help with a strategic acquisition — proof that even in declining industries, smart planning creates opportunities for both sides.

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## 6 When Family Isn't Ready — and Time Runs Out

A **\$5 million manufacturing company** with proprietary products came to us for a valuation. The owner's health was declining, and he hoped his son would eventually take over. We valued the business at **\$4.5 million**.

But two years later, the son admitted he had no interest in running the company.

Without strong leadership, sales and margins eroded quickly. The owner signed a listing agreement — and tragically passed away **two weeks later**.

We immediately shifted into estate-support mode, working with the trustee to stabilize the business and take it to market. Despite the decline, we sold it for **\$3 million**.

It wasn't the exit the owner originally envisioned. But it was a dignified, timely, and responsible outcome for the family and the employees who depended on the business.

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## 7 The Deal That Survived COVID — Because the Buyer Had Character

A **\$4 million manufacturing business** generating **\$600,000 EBITDA** was stuck. The owner had tried selling it himself, without success. His wife had already moved to their retirement home in the Carolinas; he was stuck behind, unable to join her.

He had one offer: **\$800,000** from a local competitor.

His CPA brought us in. After a quick assessment, we believed the business was realistically worth **\$1.5–\$2 million**. We brought in buyers who made offers in that range.

But we recommended he accept the *lower* of the two offers.

The buyer was simply a better long-term fit — trustworthy, steady, reliable.

Two weeks after signing the LOI, COVID shut down the entire economy.

The SBA froze. PPP funds drained resources. Deals everywhere fell apart.

But this buyer didn't walk.

Against the odds — in the middle of a global shutdown — we closed the transaction, and the owner finally joined his wife in the mountains.

Some deals survive because the numbers make sense. This one survived because the people did.

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## 8 When the Attorney Is the Problem — Not the Deal

A **\$20 million injection-mold manufacturer** hired us to help acquire and close on a smaller mold business. We negotiated strong terms and reached agreement quickly.

And then everything stalled.

The buyer's longtime attorney — also a personal friend — began renegotiating the entire deal, line by line, item by item, undermining months of progress. The seller was ready to walk away, and the entire transaction was collapsing.

We had a hard conversation with our client:  
"This attorney will kill the deal."

To his credit, he listened. A new attorney stepped in, aligned with the transaction's intent, and we closed successfully.

Deals require expertise — and sometimes diplomacy.  
But they also require the courage to confront the real obstacle.

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## 9 When Buyer and Seller Don't Trust Each Other — Can a Deal Still Close?

A **\$3 million sunlamp manufacturer** was experiencing declining sales. The owner wanted to exit while profits were still positive.

We found a cash buyer, negotiated favorable terms, and moved into due diligence.

That's when things got bumpy.

The buyer became intensely aggressive — questioning everything, challenging everything, pushing hard. The owner was miserable. At one point he told us he couldn't stand talking to the buyer and wanted out.

We asked him a simple question:  
"Which do you despise more — the buyer, or the business you're trying to leave?"

With clenched teeth, he chose the path to retirement.

We navigated the deal to the finish line.  
The owner retired.  
The buyer, ironically, shut the business down within two years.

Deals are emotional. Trust is fragile.  
But sometimes an imperfect buyer is still the path to a better life.

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## **10** When Emotional Readiness Isn't There — The Market Will Eventually Reflect It

A **\$4 million commercial signage company** generating **\$1.75 million EBITDA** came to us from an owner who “thought” they were ready to sell.

We obtained a **\$3.9 million offer** — nearly full asking price.

But the owner stalled.

Hesitated.

Nitpicked the non-binding LOI.

And finally admitted the truth:

“I’m not ready.”

We pulled the listing, respecting the emotional reality.

But years later, a competitor approached the owner directly. Without an NDA, they gained access to sensitive information — and promptly took the company’s largest account.

Several more years passed.

By the time the owner was truly ready, sales and profits had been cut in half. The new asking price?

**\$2 million.**

The lesson is simple but profound:

You can control your timing.

But you can't control the market's response to waiting.

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