

# Entrepreneurs Take Note: Time To Buy Is When Everyone Wants To Sell

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Difficult times are largely internalized in two ways. The pessimistic reaction is to retreat, slow down and wilt from the challenge. On days like those just past, it literally is a challenge to leave the embracing comfort of the bed to get up and face a barrage of rough economic news, declining customer demand and probable layoffs. It's a brutal economic environment and it doesn't mind slapping you around a bit.

However, seasoned vending entrepreneurs know that economic dislocation creates the greatest opportunities. For example, consider the return on the capital dollars spent to buy competitors in the last period of great consolidation in our industry, the early '90s. This period, just after the first Gulf War, created many of the best-

## About the Author

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performing vending companies of the past 20 years.

This is not a time to retreat – it is a time of great opportunity. As an industry leader, this is a time to test your will. Great leaders are not born out of good times – they are born out of severe challenge. Don't wilt! This economy is hammering everyone. It's punishing with equal opportunity.

Now is the time to dig deep and lead. The reaction entrepreneurs have to this era will define their true leadership skills.

For entrepreneurs seeking growth, this environment is particularly tough. Many manufacturers have shut down plants or scaled back. Consumers have forgotten the black boxes in the corner of their break-rooms, gas prices have risen, and product suppliers seem to increase prices faster than you can raise yours.

It seems dire; but all is not lost. The good news is that there still are more than enough competitors to buy in the marketplace, ready for deal-making. But to bring home the bacon in this environment requires new tactics and views. Several

points are paramount:

**Profits.** The business plan you have must be tighter and better researched than ever. The plan must be impenetrable in its logic, with tangible business barriers to entry and profits-not loses-projected. If you do not have a quality business now is the time to create one.

**Valuation.** Sorry, but if you want to get a deal done, your valuation expectations must come down. The old world of frothy valuations is gone and will not be seen again for several years. Be realistic, and do what it takes to get a deal done. Don't be overly proud: a small percentage of a pie is superior to a large interest in a busted company. The fact is there are not as many profitable accounts as there were 10 years ago – but there are more vending operators in the market.

**Vigilance.** Never have vending operators been more buried. We all have numerous job duties pulling us every which way. The search for quality employees and other challenges have us paddling as hard as we can to stay above water. Under these

circumstances, vending entrepreneurs must be more vigilant than ever. Don't be daunted or insulted; this is simply the environment.

Alert vending entrepreneurs, like investors, know this is a time when the greatest equity value will be created. Economic dislocation and attractive valuations always equal big opportunity. But sometimes it's hard to get back on the horse after you've been knocked off so many times. Also, it's tough to invest in growth when you don't know where the bottom is. But I'm sure the bottom is near, and it's time to make some moves.

Action in hard times defines us, and it's a great, albeit bumpy, time to be an equity investor. Buy a competitor!

Fortune really does favor the bold, and in these challenging times, the bold entrepreneur must be more thoughtful, analytical, persistent, careful and methodical than ever to get a deal done.

But deals *will* get done, because there are big opportunities out there and this country is still without a peer in its system of backing entrepreneurs to build companies.

It's not a time to wilt. It's time to fight on!