

MENTOR

CAPITAL PARTNERS LLC



*Achieving
Entrepreneurial
Wealth*

BUSINESS OWNERSHIP STRATEGY

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For every company there is a course that will produce the optimal result for the business and its owner, whether it competes in a high-growth, mature, or declining industry, and regardless of past performance. By turning to his/her advantage the six principal factors that produce business success and personal wealth, owners can achieve improved business performance, maximum personal wealth creation, and their non-financial as well as their financial goals while retaining greater control and containing risk. For example:

- One of the smaller manufacturers of space heaters steadily increased market share and doubled earnings in five years and simultaneously provided cash liquidity for a large proportion of the owners' shares in the company;
- A PVC pipe extruder raised \$4.5MM to build a Greenfield manufacturing plant without giving up any equity even though they had lost money four of the previous six years;
- One of the 1,000+ small companies competing in the low-margin in-store product demonstration industry transformed itself from a no-growth business with a 5% operating margin into a growing business with a 22% operating margin;
- The owners of a \$25MM environmental services company turned an outside investor's demand for early return of their money into an opportunity to raise additional growth capital and INCREASE the founders' ownership of the business.

Business Ownership Strategy is a framework for achieving this kind of success. Rather than a rigid formula for determining what is best for the business, it is a way to help owners make choices that are best for him/her by thinking strategically about their business and about major personal decisions that affect the business. Rather than a formal written planning document, the "work product" is a matrix of the relationships between the owner's many competing objectives and the external factors affecting the business.

The six steps of Business Ownership Strategy correlate with the six factors referred to above:

1. Aligning Business Operations with Market Opportunity
2. Using Other Peoples' Money to corporate and shareholder advantage
3. Exiting / Transitioning From the Business on Your Own Terms
4. Reconciling conflicting business objectives and personal goals
5. Quantifying Results
6. Preparing for the Unexpected

Our approach to addressing each of these factors emphasizes relevant real-world cases, most of which are derived from our own backgrounds investing in and running companies as well as from our experience as investment bankers and business advisors. Rather than producing a single course of action that we urge the client to accept, it results in multiple options from which he/she can choose in consultation with his/her other professional advisors. Rather than leading to a "final" solution, it provides a framework for decision-making that accommodates changes over time in the client's objectives and the company's prospects.