

CVA Case Study

Company Sold: Unistaff, Inc.

Date of Transaction: March 2008

Advisors: CapitalValue

Buyer: Select Staffing

Key Players: Attorney's, financial advisors, other referral partners

About Unistaff, Inc.: Unistaff, Inc. is a Richmond based staffing firm founded in 1980. Unistaff, Inc. is Virginia's largest provider of temporary staffing, temp to hire, on site staffing, direct hire and payroll services for light industrial and clerical services. Today, it has seven locations throughout Virginia, and is consistently ranked as one of the Top 50 Private Employers. The owners of Unistaff, Inc., Bob and Helen Davison, made the decision to sell because they felt they had taken the business as far as they could, and that it was time for them to start a new chapter in their lives. It was very important to them that the buyer maintain the same values, as was the commitment to continuing the growth and success of the business.

Choosing CapitalValue: CapitalValue understands that each client is different, and deserves personalized service. As such, each transaction is customized to meet the specific needs and goals of each client. "Building a business requires both an emotional and financial investment from the business owner," says CapitalValue Managing Director David Tolson. "Having the right advisor through the exit process assures the business owner will receive the maximum return on that investment, while achieving all their goals."

Prior to working with CapitalValue, Unistaff, Inc. worked with another regional Investment Bank. They worked with this bank for sixteen months and received only one disappointing offer so the Davison's decided to look for new advisors. Friends of the Davison's had previously worked with CapitalValue to sell their staffing business, and were very happy with their experience. After speaking with David Tolson, the Davison's had found their new advisors. The impressions they got were extremely positive. "We felt that David understood the emotional aspect of selling a business, but also that he was professional and knew what he was doing. More importantly, we felt we really connected with him on a personal level, and that we would be more than just a number," said Helen Davison.

The CapitalValue Process: Utilizing CapitalValue's proven MarketProfiler™ process for identifying buyers and facilitating the transaction, they were able to close the deal within twelve months. Before this could begin, however, CapitalValue needed to gain a better understanding of the personal and business goals of the owners. They could then focus on their proven process, which involves a four phase proprietary approach, including:

- OwnerAnalytics™
- ValueDrivers™

- MarketProfiler™
- ValueMaximizer™

With a clear sense of the client's expectations, CapitalValue embarked on the OwnerAnalytics™ phase of the sales process. Within this phase, the team begins its evaluation using specialized tools to identify, understand and quantify client needs, determine the market value of the business, and evaluate the strengths and weaknesses of the business. In this phase, the team was able to present the Davison's with a transaction strategy to suit the owners' personal and financial goals. Simultaneously, the team worked on the ValueDrivers™ and MarketProfiler™ phases. While advisors began targeting very specific buyers using the MarketProfiler process, the CapitalValue team began to analyze the business from the inside out to determine how to effectively market its strengths. "We used the ValueDrivers™ tool to uncover customer value, financial value, strategic value, employee value and organizational value. These are the key values we used to market the business to potential buyers," says Tolson.

The Davison's were especially impressed with the valuation and marketing processes because they did not have to get directly involved. After providing the necessary documents to David Tolson, they were able to focus entirely on the day to day operations of the business, while David Tolson and his team focused on the valuation and marketing aspects. "In this industry and in these economic times it is important to stay focused on the business and market. Because CapitalValue took care of all the valuation and marketing aspects, we did not have to take any time away from our business to deal with that," said Bob Davison.

Finding a Buyer: After Unistaff's goals were clear to the CapitalValue team, they put together the Company's 'book', which is used to describe the Company to potential buyers. The CapitalValue team worked hard to showcase the strengths of Unistaff and the benefits the Company would bring to both strategic and financial buyers. The team used the Company's strong market position, reputation, and geographic focus to create value in the eyes of potential buyers. Throughout the process, over 300 potential buyers (both strategic and private equity) were contacted, resulting in four serious offers in only twelve months. Buyer identification was more challenging than normal, due to the fact that Unistaff had worked with another Investment Bank. Because of this, CapitalValue could not contact any of the potential buyers the previous Investment Bank contacted. This forced CapitalValue to identify unique buyers, of which there were hundreds. The thoroughness of the CapitalValue MarketProfiler™ process highlights the innovative approach CapitalValue uses. Throughout the process, the Davison's were impressed in CapitalValue's ability to locate so many potential buyers. "We were so relieved that we did not have to take time away from our business to get involved until the eventual buyer had been identified and the deal was ready to close," said the Davison's.

Negotiations: After not receiving any offers from the previous investment bank, Unistaff, Inc. received four offers working with CapitalValue. Once the offers began coming in, the CapitalValue team went to work to get the Davison's the best offer. The key to the negotiation process is the soft auction, because it allows the sellers to realize the maximum value for their businesses. The CapitalValue team also sticks by their clients, working to get them the maximum value while also meeting all of their goals. At times during the process, negotiations

were tough, both mentally and physically, but the CapitalValue team was able to work through it, keeping the deal intact and the Davison's goals in place.

Looking Back: Overall Bob and Helen Davison were delighted with the transaction. "We were extremely happy with the dedication and service the CapitalValue staff provided," said Unistaff, Inc. owners Helen and Bob Davison. "We were worried that we would not be able to sell the company in the declining economy, but the professionals at CapitalValue used their experience to get the deal done while maximizing value. CapitalValue's expertise in knowing when to push the buyer and fight for our interests was critical. They optimized the deal structure to minimize taxes, and get us a great transaction both in terms of value and structure. Their persistence in managing the buyer through due diligence to close allowed us to realize maximum value. If we did it again, we couldn't do it with any other company."