

FOR SALE: Creative Agency – Established Over 15 Years

Strategic add-on for marketing or publishing business

Financial Overview

List Price: **\$708,700**

Gross Sales

2017: \$599,875

2016: \$425,040

2015: \$591,100*

Owner Profit/Cash Flow

2017: \$248,811

2016: \$194,244

2015: \$155,723

Profit Margin: 41%

Multiple: 2.85

Valuation: 2017 Cash Flow x Multiple = Price
\$248,811 x 2.85 = \$709,111

*Media buying was up in 2015 due to a major campaign that ended with new legislation

Assets Included in Purchase:

Equipment: Office furniture, fixtures and equipment

Intangible Assets: Strong brand; industry and client contacts; numerous industry awards and recognitions

Business Information

Years in Business: 15+

Location and Service Area: Eastern Kansas

Type of Clients: Recurring clients with on-going creative needs for small businesses, the financial sector and a niche in the political arena

Creative Agency Services: Providing advertising, branding and strategy

Lease: 1,500 sq. ft. for offices, conference rooms and work rooms

Reason for Selling: New business opportunities

Employees: 1 FT Agency Principal, 1 PT Account Coordinator, and 10 – 15 contracted employees for creative work

Seller Training Period: 90 days

Growth Opportunities: More regional & national work in legislation and advocacy

Current Owner's Responsibilities: Employee direction, A/R, A/P, company blogs, business development, high-level client coaching. Most client meetings are handled by the Agency Principal and Account Coordinator.

Funding Example

Purchase Price: **\$708,700**

10% Buyer Down Payment: \$70,870

10% Seller Financing: \$70,870

80% Bank Loan: \$566,960

After debt payments, a 10% down payment profits \$133,567 in the first year.

Description

This creative agency in Eastern Kansas has been growing in a niche market over the past 15+ years. Having branded hundreds of businesses both internally and externally, the agency primarily focuses on the policy, advocacy/associations and financial sectors. Due to its special expertise, this would be a great strategic add-on for a marketing or publishing business wanting an arm in policy communications.

The team includes an Agency Principal, an Account Coordinator and several contract creatives. Most client meetings and interfacing are handled by the Agency Principal and Account Coordinator, with the seller focusing on business development and high-level client coaching.

While each year brings new clients, there is a steady revenue stream from clients paying for on-going creative needs. Outfitted with a strong name and industry recognition, a strategic buyer could step in and work toward getting more regional and national work. With a great team in place, the agency should profit a buyer in the first year after debt payments.

Next Steps

For a detailed financial package, please contact Cortney Sells or one of The Firm Business Brokerage's professionals at 402.998.5288 or email Confidential@TheFirmB2B.com.