

RESILIENT REALISM: “IS YOUR BUSINESS GOING TO THRIVE, SURVIVE, OR DIE: PERSPECTIVES FROM AN M&A LEADER”

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This summary of the Resilient Realism Webinar is authored by LINKCO. With twenty plus years of broad executive business experience, LINKCO is well situated to reach out to leaders. The webinar for this Summary took place on August 5th, 2020 with Ron E. Ainsworth, Principal Boustead and Company. Ron has been involved in Mergers & Acquisitions, Capital Markets, Financial Restructuring, and Business Valuations for over thirty-five years.

Based in Southern California, LINKCO is an Executive Search and Consultancy serving top Middle Market CXO and upper management clients and candidates throughout the USA.



Due to COVID19 there is historic government debt and resultant pressure on profit margins. De-globalization is a significant trend, causing higher input costs, less access to cheap labor and higher tariffs. Many of the businesses adversely impacted by de-globalization will not return.

There are opportunities and advantages during and after recessionary periods. We are presently experiencing a decrease in deal volume, capital invested. Investors are more conservative and critical in their capital deployments resulting in “Dry Powder” banking of capital and a wait and see attitude.

Currently companies can be divided into three groups based on the new Pandemic realities:

- **Dive:** Companies where customer and provider need to be in the same place at the same time. Examples are Tour Operators, Cruise Ships, Bars and Dine-in Restaurants, Concerts, Sporting events, Fitness Studios, Airlines.
- **Survive:** Same location but not at the same time and businesses where customer and provider do not need to be in the same location but need to be together at the same time. Examples: Self Service stations, Drive-Thru restaurants, Laundromats, Landscaping, Construction and Online Counseling, Medicine, Professional services, telemarketing, Online Education.
- **Thrive:** Customers and providers do not need to be in the same location at the same time. Examples: Online Streaming, Online Delivery, Video Games, Online Entertainment, Social Media, Online Retail

Well capitalized companies should consider liquidating “dive” assets, and wait to take advantage of the market. Ultimately “liquidity is King”.

The benefits of developing a relationship with an Investment Banker for companies considering an exit strategy: do it early so as not to be surprised with the myriad of documentation and valuation issues, it’s more cost effective and allows the business owner not to get sidetracked when she needs to be focused on running and growing the business. The valuation and terms are often much preferred.

Contact LINKCO to learn more about the challenges and opportunities highlighted in the White Paper. Let us help you build a more resilient workforce ready for the future.

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