

COLMEN MANAGEMENT ADVISORY SERVICES

Do I Buy Market Share or Take It?

One of the most frequently encountered, and most difficult, management decisions is the “make vs. buy” dilemma. Do I buy market share through acquisitions or do I take it by expanding my existing franchise? Colmen’s Management Advisory Group was retained by a client to answer that very question.

Colmen executed an extensive acquisition search on behalf of a nationally recognized provider of alcohol/drug rehabilitation and educational services. Colmen worked closely with the client to create the strategic search parameters and met with the client’s venture capital partners to determine the appropriate transaction size. Colmen contacted hundreds of companies who satisfied our search criteria. We were able to build a comprehensive database of 66 target companies who would strategically compliment our client.

Six of those targets were particularly good strategic "fits", motivated to sell to our client and realistic about purchase price. As we evaluated these acquisitions in light of expanding the client’s operation through start-ups of new facilities, it became apparent that the "make" alternative was a superior risk/reward option than the "buy" alternative. The client proceeded to successfully open several new treatment facilities using the proven strategy of their existing facilities.

Sometimes, the best acquisition was the one you didn’t make...

How do I move my business online?

Many businesses today recognize the power of the Internet, but they do not have the resources to put a plan in place that will harness that power and make it work for them. Colmen’s Management Advisory Group was retained by a client to develop a business plan and put the resources in place to make that happen.

A successful bricks and mortar barter company had an idea on how to expand their business by changing their focus slightly and moving the business online. While the current management team had been successful with their existing business model, they knew that their business would fundamentally change after going online. They were not certain they had the right team in place to ensure continued success. They asked Colmen to help them augment their staff, and to write a business plan which would be utilized to raise financing.

Within weeks, Colmen located a CEO and a Vice President of Marketing who were perfect matches for the culture of the current business and well suited to expand the business onto the Internet. Within a month, a marketing plan was in place, and within 2 months, a full business plan was developed to raise \$3 million in financing.

One way of moving your business online is knowing what you don’t know, and understanding how to fill that knowledge gap...

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