

# Game Changing Capital Investment for Bear Group, Inc.

---

- ✓ Maximum valuation
- ✓ Multiple offers
- ✓ Continuity for business
- ✓ Poised for new growth

**“The hardest part of selling a business is actually making the decision to sell. To find the perfect time. I call it the “avocado moment.” It’s not ready, it’s not ready, it’s ready, then it’s too late. Finding the avocado moment requires expert help.”**

— **KARA GIBSON**, *Principal of Exit Equity LLC.*

## BACKGROUND

The Bear Group builds and supports custom web and ecommerce solutions for their clients. It was founded in 2007 by Greg Bear, with the goal of delivering the best websites and ecommerce platforms for growing businesses. They are a trusted partner of Adobe Commerce (Magento), Shopify and Drupal. Over the years, the Bear Group team has supported hundreds of clients, delivering thousands of websites and billions of page views. They are known for their dedication to clients and their integrity. The thriving business is based in Seattle and has team members across the country. But like all business owners, Greg Bear eventually started to think about an exit - and that is when he turned to Exit Equity.

## BY THE NUMBERS

**40** **PAGE CIM\***  
*\*Confidential Information Memorandum*

**75** **SIGNED NDAS**  
*From interested buyers*

**10** **IOIs\*** **RECEIVED**  
*\*Indication of Interest*

**3** **LOIs\*** **RECEIVED**  
*\*Letter of Intent*

**1** **PERFECT BUYER**





**“No one owns a business forever.  
You have to figure out leadership transitions  
at some point.”**

— **GREG BEAR**, *Founder of Bear Group*


## OBJECTIVE

Bear knew exactly what he was looking for in an acquisition. He wanted the business to be able to grow, to go beyond what he had built. “As time went by, I thought there should be younger hands at the tiller. It was a bit like sending your child off to college,” he reflected. “I built a place that I wanted to work at, and my growth tenets kept the company on a stable growth trajectory. At some point, I thought I might be holding Bear Group back from its potential.” He decided it was time to see where else the business could go. Of prime importance: keeping the transition smooth for all employees, customers and vendors. He wanted a significant investment in the Bear Group that could offer new opportunities for it to thrive without losing the quality and reputation he had built. Therefore, it needed a very special buyer.

## SOLUTION

Bear met with a few M&A firms, but chose Exit Equity to manage this significant life event. He knew their reputation was stellar, but meeting with the firm’s managing principal, Kara Brzytwa, confirmed it was a good match. A business exit takes time, so it was important to work well with the people guiding him through it. Brzytwa’s communication style and detail-oriented approach made Bear comfortable with the process. “Kara’s superpower is around process management,” says Bear. “This was a great match for me.” She walked Bear through the many steps and set expectations along the way.





“The worst thing is to be focused on your business’s exit, or to look for the ‘pot of gold at the end of a rainbow.’ If you do that, you’re probably not focused on the business. **You have to be excited about building ‘the rainbow’. The pot of gold will follow.**”


— **GREG BEAR**, *Founder of Bear Group*

## A TAILORED GO TO MARKET PLAN

The first step was putting together a detailed marketing plan to show to potential buyers and investors. Exit Equity’s team took the time to learn the intricacies of Bear’s business. They laid out the different categories of investors, and the pros and cons of each. Right away, Bear knew he wasn’t interested in pure acquisition investors who were just looking to simply add to a large portfolio without regard to the core business. Exit Equity also set expectations up front, pointing out it would be a long process and there were many points along the way where the deal could get held up or even fall through. This helped Bear when there was indeed a setback, though one which Brzytwa and her team could resolve.

## SOURCING THE RIGHT BUYER

Then Exit Equity put together a branded, 40 page Confidential Information Memorandum (CIM) to show to prospective buyers. She then reached out to Exit Equity’s large network of active, interested buyers and also created a curated list beyond their immediate network of additional potential investors that could be a strong match. In the end, they marketed to thousands, and reached 75 interested parties who signed NDAs and viewed the CIM. Exit Equity fielded the hundreds of questions and inquiries as well, a process that allowed Bear to continue to focus on running his business. This group of prospective buyers was further narrowed to 10 parties who created initial offers via IOIs (Indications of Interest). Bear invited three of these 10 to present LOIs (Letter of Intent), and from whom Bear chose the perfect investor to acquire Bear Group.



**“We built something special here, and I wanted to protect the value of what we created.** The transition had to be smooth for our team, leadership, clients, and vendors. We didn’t even consider a buyer who wouldn’t respect that.”

— **GREG BEAR**, *Founder of Bear Group*


## SOLUTION

The result was a strategic capital investment by ParkSouth Ventures, in partnership with Gemini Investors. Bear knew it was a good match during their initial chemistry meeting, as the group had a track record of growth with similar firms. “They were straight shooters,” said Bear. “I knew we could work well together.” This was key, as they will continue to be partners for the foreseeable future. The deal was structured so that ParkSouth formed a holding company whose umbrella covered Bear Group.

This gave seamless continuity for Bear - all of their contracts, from employment to customer contracts did not need to be re-done. Greg Bear is still be involved in the day-to-day business but now sits on the Board of Directors of this holding company. This is a luxury he appreciates. “As an owner, I never had the benefit of a Board to help guide and make decisions. I can help them with further acquisition strategies.” Now Bear can also see his company grow far beyond its current scope while also looking to new opportunities.

## BEAR’S ADVICE FOR BUSINESS OWNERS

- ✓ Build a strong business with consistent cash flow.
- ✓ Have a ‘Fair Market’ valuation performed every few years by a M&A professional (NOT with your CPA), just to see where you are.
- ✓ Use an outside accounting team to keep your books pristine for buyers.
- ✓ Build a leadership team that can run the business without you.
- ✓ Don’t focus on the exit, focus on the business.



“It’s just the closure I would have wanted. **The final result was perfect for us.** There were no compromises in this exit.”

— GREG BEAR, *Founder of Bear Group*

## FINAL THOUGHTS

Selling a company can be personally disruptive and time-consuming. Bear estimates this process took about 25% of his time for the months leading up to the exit. Much of this was going through checklists from lawyers and organizing his paperwork and locating contracts. This was Bear’s first exit, but probably won’t be his last, and because of Exit Equity, he knows how to prepare even better for the next one. He thinks he might have another business in him, but for now is happy where he has landed. While he mulls his next big move, he’s going to use his newly-freed up time to do some more sailing and spending time with his family.

 **EXITEQUITY**<sup>LLC</sup>

(425) 462 - 5819 | [info@exitequity.com](mailto:info@exitequity.com)

[www.exitequity.com](http://www.exitequity.com)

