

TULSA WORLD

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Benefits to Seller



■ Advise owners on the market and strategies, divestitures, acquisitions or mergers.

■ Study business and value to recommend price.



■ Prepare marketing portfolio documents.



■ Confidential marketing for best buyers

- Strategic targeting of buyers.
- Prequalifying prospects.
- Confidential disclosure.



■ Guidance through the transaction process.

Advantages of Using A Business Broker



Benefits to Seller and Buyer



■ Orchestrate the acquisition process.

■ Coordinate negotiations, deal structuring and conduct of due diligence and closing.



■ Educate sellers and buyers on the market and transaction.

Benefits to Buyer



■ Coordinate confidential meetings and site visits.

■ Regional resource for business investment opportunities and ties to local market.



■ Help obtain data and information on business.

■ Assist in structuring offers.



■ Work with motivated and informed sellers.

Closing the Deal

Bluestem Resources Prides Itself on Its Connections

By Dan Rutherford
World Staff Writer

Theirs is a business of anxiety and psychology; of handholding and encouragement; of dissection and growth.

These fiscal physicians have sworn to "do no harm" as they surgically sever liquidity constraints, resuscitate cash flows and transplant local enterprises from sole proprietorship to corporate ownership.

In their 10 years of practice, Bluestem Resources Group Inc. president John Johnson and his partner, marketing manager Phoebe Robertson, have guided several entrepreneurs through the complicated merger and acquisition marketplace, helping diversify and strengthen the regional economy.

"Always when a business sells, a new, fresh owner comes in with plans to extend or expand the business. Other situations include the arrival of additional capital — a holding company that has acquired an existing business with plans to put additional capital into our economy. In every case they have added significantly to the economy," Johnson said.

The president wouldn't name names of past or present clients. The merger and acquisition business is — above anything else — one of confidentiality.

"We're working with someone's life savings, with livelihoods. Our main objective is always to do no harm to the business," he said.

"To a large extent, an owner selling a business has to be somewhat akin to someone selling his or her child. ... They want the best for their employees and for their company. It is a part of their lives.

"Our philosophy is that a regional business needs a regional representative working with them. We establish that personal, intimate relationship on site with the business-owner client and then access for them the best buyers across the country."

That removes the stress and the time requirements that go with a sale and lets owners concentrate on running their businesses profitably.

It's a challenging and dynamic job, Robertson said. "A business won't hold still while we're trying to present it," she added.

While Bluestem intermediaries have worked both sides of the deal, their focus is on closely held, privately owned businesses of less than

\$15 million that wish to sell.

The reasons behind the sale vary, Johnson said. Some owners may be seeking retirement. Others may be looking for outside investment capital to grow the business beyond its current plateau. Still others may be looking to spread their risk.

Bluestem has worked with manufacturers, distributors, business-to-business service companies and even a variety of "Main Street" retailers and other businesses.

"One of our objectives," Johnson said, "is when the sale is completed and all things are considered, that we have improved the net to the owner — the price paid, the quality of the buyer, the deal structure, efficiency of the process and the successful conclusion of the due diligence."

Sometimes that net is a safety net, protecting smaller business owners from the accountants and attorneys of the often much larger buyers.

"It really is a detail profession," Johnson said. "You have to know the psychology of business ownership, the market for mergers and acquisitions, the legal aspects, financing ..."

And, it is this breadth of expertise that sets Bluestem apart in the local merger and acquisition arena.

Johnson founded the firm in 1987 after selling a successful distribution business.

"Jobs weren't plentiful at the time, and when I assessed my skills — most of my experience had been in strategic planning, mergers and acquisitions — I just made the decision to start this firm," he said.

Robertson had worked for Johnson and followed him to what became their new business.

Johnson said the late 1980s and early '90s provided a lot of "corporate refugees" — mid-level managers downsized out of a job. Most of these experts had the knowledge, capital and desire to buy or start their own companies, creating a niche market for small-to-medium businesses.

Bluestem has been sprouting ever since, both through internal growth and an acquisition of its own. In 1989 Johnson and Robertson acquired VR Business Brokers, giving Bluestem a "dominant" position in eastern Oklahoma, according to the company. Johnson and Robertson also attribute much of their success to the International Business Brokers Association. They



Bluestem Resources

Address: 1427 E. 41st St.

Products: Business broker services focusing on the sale of closely held privately owned businesses

Management: President John C. Johnson; marketing manager Phoebe B. Robertson

Employees: 4

Years in business: 10



World file photo by John David He

Phoebe Robertson and John C. Johnson of Bluestem Resources Group.

have been members since 1988 and Johnson served the organization as a board member and as president.

Johnson said the IBBA provides a network of both buyers and sellers on a national scale.

But before Bluestem can do an online search for a buyer it first has to put the pieces together with the seller.

"The very critical first step is getting a firm grasp on the value of the business," Johnson said. "It's much more of an art than a science."

Johnson, Robertson or one of the firm's other intermediaries will visit the business and appraise the tangible and intangible assets. The business owner, tax adviser and legal counsel are consulted. From appraisal to market is about a one-month process, Johnson said.

Once the buyer is located, Bluestem will work with the seller through the process. "I've come to respect the quality of the business owners in this market," Johnson said.