

# ACQUISITION UPDATE

The past 24 months are shaping up to be some of the wildest in our industry's history. We navigated government shutdowns, public health and personnel concerns, a surge in demand, increasing and ongoing labor challenges, and an aggressive M&A market for both buyers and sellers. Fortunately, or unfortunately, there is more to come as we wrap up Q4 and look ahead to 2022. There has never been a better time to sell your business. Multiples

are at an all-time high and capital gains taxes are currently low. There is talk about a probable capital gains tax increase in 2022; and many owners are doing the math on if it makes sense to retire a few years early. This has created a really unique condition in the marketplace and we're seeing larger, multigenerational companies sell. Some of those owners have chosen to stay engaged with the business and assist the new owners in running the

business. Others have decided to retire early. And we've seen some younger owners who decided to sell and pursue opportunities in other industries. But the common thread between all of these sellers is that buyers are paying great multiples and are open to varying levels of involvement for owners that wish to stay engaged. If you'd like to learn more, give us a call. There's no fee, no obligation; and all calls are strictly confidential.



## ALWAYS TELL THE WHOLE TRUTH

I once worked on a multi-million dollar transaction where the seller said in every meeting that his employees were drug tested. He went as far as advertising he was a “drug-free workplace.” During the initial meetings, during due diligence and even at the close, the seller claimed to be a drug-free workplace.

The buyer was a sophisticated organization that acquires businesses on a regular basis. The buyer asked several times about the employees and did human resources due diligence. The buyer was under the clear understanding that the seller:

1. was a drug-free workplace.
2. had completed criminal background checks.
3. had completed physicals on all employees who worked in the field or delivered services.
4. had completed motor vehicle/driver's license checks (MVR) and credit checks on each employee that drove a company vehicle or did service.

Despite multiple answers by the seller that these checks were completed for all employees prior to being hired, as well as any time a customer complained or a vehicle accident occurred, that was not the case. The fact was the seller never did any of these things.

The issue came to a head at an open house (which included a nice welcome buffet!) for new employees. The buyer brought in human resources, operations and even benefits executives to tell the new transferring employees what they would gain in the sale including better benefits, better and newer vehicles and equipment, and, in most cases, better pay.

The only thing left to do was to have the employees sign new non-competes, complete new drug testing, and give approval for credit, MVR and criminal background checks.

These “on-boarding” items were thought to be a formality since the seller had claimed that all of those items

already had been done. When the buyer announced that these checks were required, several crucial employees got up, walked out, and were never seen or heard from again. The employees were upset and felt misled by both the buyer and the seller.

The employees who left had a significant impact on the business. Several hundreds of thousands of acquired customer value was lost. Litigation started between the buyer and seller, and funds were frozen. Ultimately, the buyer won the litigation and the seller was found to have created a fraud during the sale.

In my opinion, everyone lost — the buyer and the seller as well as the employees and customers. This was all caused by the seller simply not disclosing his lack of employment policies. What is even more disturbing is had the seller told the truth, the buyer would have still acquired the business — so the only real result from all of this was ill will and litigation.

# COVID, M&A AND PEST CONTROL

**COVID-19 REMAINS A GLOBAL HEALTH AND ECONOMIC CRISIS. HOW IS OUR INDUSTRY AFFECTED BY PPP LOANS, CORPORATE TAX RATES, INTEREST RATES, INFLATION AND MORE?**

Do you wear a mask? Do you require your employees wear a mask? What about vaccinations for you, your employees and your customer base? What do you know and what is the impact of what you may not know about vaccinations? How have you changed your service protocols for your customers and employees in the COVID era? Are you buying or stockpiling PPE? Did you get a PPP loan? Has it been forgiven, or will it be forgiven?

There is an endless amount to unpack regarding COVID and its impact on our businesses, our industry, and mergers and acquisitions. We will try to connect a few dots and add a little clarity to some of the murkiness.

Let's put political views aside and celebrate that as a nation we have had the great fortune of having access to vaccines. However, COVID continues to mutate, which is helping the spawn and spread of new variants. It is unlikely COVID is behind us as much as we may want to wish it away. It seems likely to continue to impact us socially and professionally with the continued spread of SARS-CoV-2 virus, Delta variant, Lambda variant, and new B.1.621 variant that was discovered early this year in Columbia. We must stay focused on the impact of the virus on our employees' safety, customers safety, business, eco-nomics, and impact on our industry — even the virus' impact on acquisitions.

Pest management has been deemed "essential," but what does that mean?

The Harvard Business Review has studied marketing successes and failures of companies that navigated recessions from the 1970s onward. They identified patterns in consumer behavior and company strategies that either propel or undermine company performance. Regardless of which demographic group consumers belong to, consumers prioritize consumption by sorting products and services into four categories:

1. **Essentials:** Purchases or services that are necessary for survival or perceived as central to well-being.
2. **Treats:** Purchases or services that consumers considered justifiable.
3. **Postponables:** Purchases or services that can be reasonably put off.
4. **Expendables:** Purchases or services perceived as unnecessary or unjustifiable.

Industries defined as "essential services" differ based on the organization or government, but generally include services such as hospitals and other health-care facilities, utilities such as electricity and water supply, law enforcement and firefighting, food services, waste management and control and even the pest control industry. ("Essential services" also may refer to a class of occupations that have been legislated by a government to have special restrictions regarding labor actions such as not being allowed to legally strike.)

We are certainly very fortunate to be in the pest control industry. During the inter-net bubble, housing bubble, Great Recession, and even COVID, most of our businesses and our industry remained healthy and continued to grow because of being in an essential industry. This is cause for all of us to celebrate and take the time to educate our customers and our employees about our industry and why we are considered an essential business. We are certainly fortunate to own and operate business in the U.S. with ability to help when communities are in need.

**PPP LOANS.** The Small Business Administration (SBA) describes the Paycheck Protection Program (PPP) in the following terms: "PPP is a loan designed to provide a direct incentive for small businesses to keep their workers on payroll. First Draw PPP loans can be used to help fund payroll costs, including

benefits, and may also be used to pay for mortgage interest, rent, utilities, worker protection costs related to COVID-19, uninsured property damage costs caused by looting or vandalism during 2020, and certain supplier costs and expenses for operations."

SBA will forgive loans if all employee retention criteria are met, and the funds are used for eligible expenses. Stipulations include:

- PPP loans have an interest rate of 1 percent.
- Loans issued prior to June 5, 2020, have a maturity of two years. Loans issued after June 5, 2020, have a maturity of five years.
- Loan payments will be deferred for borrowers who apply for loan forgiveness until SBA remits the borrower's loan forgiveness amount to the lender. If a borrower does not apply for loan forgiveness, payments are deferred 10 months after the end of the covered period for the borrower's loan forgiveness (between 8 and 24 weeks).
- No collateral/personal guarantees required.
- Neither the government nor lenders will charge small businesses any fees." Source: SBA (<https://www.sba.gov>)

If your business did receive a PPP loan, you should work with your corporate or business attorney and CPA and make sure that it is recorded properly on your balance sheet. They should also help you with the forgiveness process. If the loan is forgiven, this should be recorded properly as well.

If you are involved in an acquisition or are considering one, you most likely will see COVID language and questions throughout the acquisition process.

You also will see detailed focus in due diligence around COVID and how your business handled it (PPP and workers compensations will come up), as well as sections of the contract, schedules, and other detailed documents and conversations focused on COVID and PPP in your business operations, best practices, finances and so on.

Chart 1 on page 66 shows the continued distribution in need for PPP in the workplace. Last year there were more than 5,000,000 PPP loans across the country, which essentially flatlined through December of this year. However, that number has significantly increased to more than 12 million PPP loans by the end of this year. This will have implications and other economic areas that we should consider in our industry, our businesses, and certainly will influence acquisitions. Again, stay in communication with your CPA and your corporate or business attorney to help you through the documents and the process.

When PPP loans began, they quickly jumped from \$250 billion in loans disbursed to \$500 billion in loans disbursed in just a few short months. It is interesting to see the spike that occurred at the end of last year, which had the value of PPP loans disbursed jump from more than \$500 billion to the current value exceeding 800 billion. Again, this is critical for all of us to pay attention to and make sure we are managing all of this appropriately in our business. Buyers in our industry are watching all sellers and how they managed PPP. (Read more here: <https://buff.ly/3si60VU>.)

**M&A IN PEST CONTROL.** There are various forces affecting merger and acquisitions in our industry. Corporate tax rates, interest rates and inflation all have influenced purchasing activity in the pest control industry. If you own a pest control company and you are considering selling the firm that you and your family have built, there has never been a better time to consider the influence of these outside economic forces. As the

government distributed PPP, doing so caused an economic ripple effect that most likely will influence acquisitions for years to come. As such, individual taxes and capital gains taxes should be considered.

Chart 2 above shows a long history of gradual capital gains and income tax decline. What is capital gains tax? Capital gains tax is a tax on the growth in value of investments incurred when individuals and corporations sell those investments. The capital gains tax only applies to profits from the sale of assets held for more than a year, a.k.a. "long-term capital gains." The rates vary depending on your tax bracket. Short-term capital gains tax applies to assets held for a year or less and are taxed as ordinary income. Reportedly, the Biden administration is proposing to raise taxes on long-term capital for individuals earning \$1 million or more to 39.6 percent. Added to the existing 3.8 percent investment surtax on higher-income investors, the tax could rise to 43.4 percent, not counting state taxes.

Recently, the corporate tax rate has hovered around 35 percent. In the last four years it fell significantly. If you sold your business recently or are considering selling it now, you will likely benefit from the lower taxes. Simply said, the less you legally pay in taxes when you sell, the more you keep. It is highly probable (and projected) that the personal income tax, capital gains tax and corporate tax rate will be going up. That's something to consider if you are keeping or selling your pest control firm.

## INTEREST RATES/INFLATION.

How do interest rates and inflation affect your P&L? Interest rates respond to inflation. When prices in an economy rise (inflation), the central bank typically raises its target rate to cool down an overheating economy. There is a cause and effect happening on the subject. With COVID, goods have become scarce and as a result supply and demand have become real with supply shrinking raising prices to most people and

businesses. (See this month's cover story on page 28.) Therefore, one might assume interest rates will be on the rise. This will impact our business and households.

One example is trying to buy a car today. Most new car dealerships have very little inventory and used cars are selling at all-time highs. As an industry that relies on fleet to get to our customers, this is a concern. Other concerns are fuel, chemical inventories, rent, utilities and benefits.

As these costs increase in price your P&L will have a smaller margin unless you keep pace with inflation through price increases. If you are not increasing your prices regularly to keep up with inflation, your margins will diminish (and potentially so will your company's value).

**FINAL THOUGHTS.** All of these aspects of the economy are linked to one another and are important for those in the pest management industry to monitor. As we read the day's news and seek out research on the economy at large, we see the impact of COVID in our everyday life, our government and economics — and of course our businesses too. While we cannot look into the future, trying to understand the data available may help us continue to thrive as essential businesses and an essential industry in these chaotic times. **PCT**

Kemp Anderson is founder/president of Kemp Anderson Consulting.

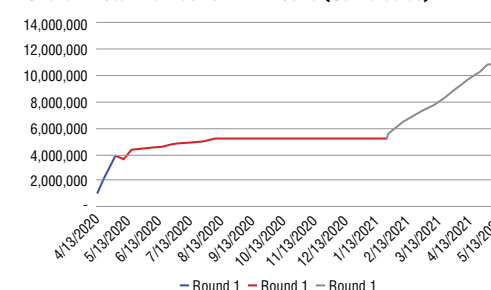
To learn more and see a free, in-depth video presentation from the PCT Virtual M&A Conference, visit [kempanderson.com/business-tools](http://kempanderson.com/business-tools) and click on the link titled "Leading in a Post COVID-19 Business Environment."



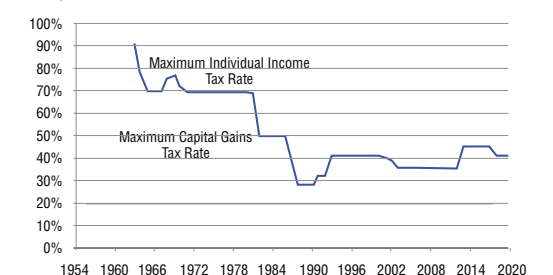
“It was scary, exciting, fun, stressful, hard a million times over, but we always knew we were in good hands.”

-Scott and Patty Milliron  
Bug Brigade

**Chart 1. Total Number of PPP Loans (Cumulative)**



**Chart 2. Maximum Capital Gains & Indv. Income Tax Rate**  
Tax years 1954-2020



Sources: US Department of the Treasury, Office of Tax Analysis (2016); Urban-Brookings Tax Policy Center calculations.  
Note: The maximum rates include the 3.8 percent tax on net investment income (2013-) and adjusts for the phaseout of itemized deductions (1991-2009, 2013-2017)

# 10 TIPS FOR PREPARING TO SELL YOUR BUSINESS

If you think a sale may be in your company's future, it's no longer business as usual. Making some strategic decisions prior to selling will help you achieve the highest possible value for your company.

As a pest control business owner, you typically start the business from the ground up. You secure a truck, some needed equipment, materials and supplies, and along the way, you build the business...

There are an estimated 20,000 pest control companies in the United States and an estimated 40,000 pest control companies in total around the world. Many companies begin similarly, with hopes to build the business, take care of one's family and do well locally, or maybe even grow bigger with multiple locations in multiple states. In the end, many pest control businesses will change hands (sell) and most will sell to a company that is a regional or national firm. Most if not all of those buyers have experience buying. However, most pest control owners do not have experience selling or even getting ready to sell. What are a few things you can do to prepare to sell and increase the value (selling price) along the way?

The sale of your pest control company is not the same as selling a house or a car. There are many things you might consider and several steps you might take prior to taking your business to market. Making some strategic decisions prior to selling will help you achieve the highest possible value and offer for your company.

Consider these 10 tips:

- 1. Prepare Early** - Time is the friend of the seller. If you are in a hurry to sell, you will lose leverage, value and possibly control of the deal. The more advanced preparation, time and consideration you put in to preparing to sell typically translates to the business being prepared for the process. When the business is prepared for a sale, everybody wins (buyers, sellers, customers and employees) and the process is smooth. This is all about details — especially financial preparedness (including sales, profit, profit and loss statements; balance sheets and more). You want to be able to demonstrate to any buyer the business is well run with many best practices in place.
- 2. Separate Family Issues from Business Issues When Possible** - When it is time to sell the business, can you solve any outstanding family issues up front? Can you address hidden family issues where possible? This can include such items as:
  - “Non-productive payroll.” Is a spouse or child on payroll but he or she does not really work in the business?
  - Are there “excluded assets” around the business? Some sellers have personal assets around the business they will want after the sale.

Buyers will see all kinds of personal possessions laying around such as old cars, boats, pianos, memorabilia, hunting and fishing gear and so on. Getting the workplace free of personal items wherever possible will help the seller.

- Working to clean up and restructure family expense habits (travel, eating out, memberships and so on) will help the selling process and will help buyers clearly see the financial strength of the company.
- 3. Be Able to Articulate History, Culture and Vision** - Being able to tell your story is important and it adds value to your sale. Helping buyers understand the history of the company, the current culture and the vision will help put the buyer at ease.
  - The history of the company is important. How did you start? Why did you start? Who helped? What are the milestones? How did you fund the start and growth of you company? Why are you selling? What will you do next? Why? Believe it or not, your story is critical to your sale. Understanding your history helps buyers continue with your business in the future. You might be wary of a buyer that does not want to hear your story.
  - For some people “company culture” seems fuzzy. What values drive



“No amount of foreshadowing could have predicted that COVID would strike while negotiating the sale of our business. We are immensely thankful that we had Kemp and Theresa by our side to help guide us through a successful transaction. They were patient, knowledgeable and always accessible while guiding us through the process.”

-Santiano Brothers

the company? It is important that sellers can articulate the culture of the company they are selling and it is also equally important to the transition after the sale that the buyer shows interest in it.

- What is the company vision if you don't sell it? It is typically important to most buyers that the seller stays engaged with the business all the way to the day of close. To that end, the seller's vision for the future and a history of consistent growth is important.
- 4. Does the Business Have a Team in Place?** - Sometimes it is difficult to remember, but you are selling the company, not you. In fact, in most sales, the seller will “transition out” of the business sometime in the first year after the sale. Most prospective buyers really want to see a strong management team in place. Do you have a reliable team and/or a strong supporting cast? Do you have a supervisor, sales leader, lead administrator, renewal coordinator, etc.? This is important because it indicates the business is not simply reliant on one person (you).
- 5. Keep Control of Controllables and Costs** - An average pest control company has most of its costs in payroll, fleet, and materials and supplies. As you are preparing to sell, it is important to stay focused on whatever your controllables are and try to keep costs down and profit in line.

Another thought is what some buyers and their attorneys call “material change.” Buyers, and especially buyers' attorneys, do not like to see change in the business during the process. This can mean you probably may not want to run out and buy new trucks or expensive computer systems since assets are typically sold and delivered to buyers “debt free.” Once you engage in the letter of intent with a buyer, the buyers want to know about any changes.

Keep an eye on costs before and during the sale. The buyer will certainly be looking.

- 6. Keep Strong Financial Control** - How often do you meet and talk with your financial leader (CPA, CFO or accountant)?

Having a good financial person to guide you and the business is important as are strong financial controls on the business. It is also important that the seller have a good understanding of the business. This would include being able to have a general discussion of the P&L, balance sheet (A/R, debt and so on), bank statements and tax returns. Simply being able to describe your business financial process and health

is important and will add value.

- 7. Understand Your Customer Concentration** - Residential? Commercial? Pest? Lawn? Termite? Other? It's all important to know. What is the mix of your largest customers? This is another indication of risk.

In August PCT will once again host a Mergers & Acquisitions Virtual Conference. The program will feature leading M&A specialists with years of practical experience buying and selling companies. PMPs can attend from the comfort of their home or office. Stay tuned for additional details!

Some customer concentration depending on the business location may be unavoidable; however, having signed agreements that take the customer relationship into the future will help ease the buyer's concerns. Again, the seller's best practices will help or hinder this business concern.

- 8. Offer Buyers a Realistic and Supportable Forecast** - Many buyers will value a seller's business on future cash flows and or future earnings. So, sellers will hopefully be able to demonstrate a history of growth in revenue and profit. Further, sellers should consider having a realistic forecast for their business. This shows buyers the seriousness and points to the credibility of the business, quality of the business and focus of the seller. Your financial leader should be able to produce this for any business at a minimal expense.
- 9. Working Capital: Understand It, Manage It and Embrace It** - Working capital is a financial metric representing the operating liquidity available to a business. Why is working capital important? If a company's current assets are less than current liabilities, a company may have a working capital shortfall, also called a working capital deficit — and that's not good. This probably means the company cannot pay off its short-term debts — also not good. If cash from operations is low, then the company may be in financial danger. This is not a desirable position to be in when considering a sale. Positive working capital is needed for a pest control company to be able to continue its operations. Fortunately, most pest control companies typically have very strong working capital. You need working capital not only to be able to pay off short-term debt but also cover unexpected expenses, investments and to stay in business.

Working capital is an indication of the health of the business in general. Typical current assets that are included in the net working capital calculation are cash, accounts receivable, inventory and customer pre-paid accounts minus accounts payable. So the formula for your pest control business could look like this:

capital calculation are cash, accounts receivable, inventory and customer pre-paid accounts minus accounts payable. So the formula for your pest control business could look like this:

$$\text{CASH} + \text{AR} + \text{Inventory} + \text{Pre-paids} - \text{AP} = \text{Working Capital}$$

- 10. Consider Seeking Professional Advice** - Representation from seasoned advisers can provide you and the business transaction/sale with sizable savings and significant value. Having experienced guidance from merger and acquisition professionals will help you build a “team” for your sale. Most sellers look at this as a pure expense. Why not look at it by asking, “How much more value to the transaction can this add?” This “team” includes but is not limited to CPAs/accountants, tax experts, attorneys who have done business sales and transactions, and other advisers to help you get ready to sell and represent you and your company through the entire selling experience. Each has a valuable role in the process of preparing to sell and selling your pest control business and each should provide you with different perspectives and expertise in their areas.

The SCORE Association ([www.score.org](http://www.score.org)) is a non-profit association for entrepreneurs and a partner of the U.S. Small Business Administration. SCORE estimates the sale of a small business may take between six months and two years. In the pest control industry, two years is excessive; however, six months is not. This is a process; it does take time. Sellers who prepare to sell typically sell for more than those who do not prepare.

**FINAL THOUGHTS.** Selling your business will take time and planning. It is emotionally draining for many so preparing in advance helps. While understanding the value of the business as you venture in to the market is critical, today's hot market, and support from a seasoned team of professionals with acquisition experience can help you through this difficult task. It also may be possible to receive free counseling from your local chamber of commerce, in-person or online seminars, local workshops or internet research.

In the end, the day you close on the sale of your business should be a celebration of your newfound freedom and time — and the large amount of money in your bank account. If you prepare, you will maximize what is typically a once-in-a-lifetime event.

Working capital is an indication of the health of the business in general. Typical current assets that are included in the net working

# RENTOKIL ANNOUNCES ACQUISITIONS OF JA-ROY

READING, Pa. – Rentokil North America announced the acquisition of Ja-Roy Pest Control. Ja-Roy Pest control was represented by Kemp Anderson Consulting and the terms of the deal were not disclosed. The acquisition significantly expands Rentokil's service footprint across the southeastern US.

**Ja-Roy Pest Control, ranked No. 88 on the 2020 PCT list, is based in Louisiana and provides residential and commercial services to customers in the Northshore area of Lake Ponchartrain, north of New Orleans.**

Near Covington Louisiana in the late 1960's, there was a restaurant named Danny's Fried Chicken. Above the chicken shack a pest control company started in 1971 by Jack Edwards and Cliff Fauntleroy. Merging their names, they started Ja-Roy Pest Control. In 1979, right after graduating college, Paul Williamson went to work for the company as a supervisor. Paul Williamson purchased Ja-Roy in 1984, but only after spending several years as a supervisor under both Jack Edwards and Cliff Fauntleroy. At the time of purchase, there were approximately 6 employees and one location. In the mid-1990's Paul Williamson partnered with

Francis Monticheck and Eddie Fussell who were instrumental in developing Ja-Roy to a position on the Top 100.

For additional information on Rentokil, visit [www.rentokil.com/us/](http://www.rentokil.com/us/).

You can view the full press release at <https://www.pctonline.com/article/preparing-to-sell/>



**TOP 100 LIST**

“We thought Kemp Anderson Consulting did a great job. Let me say this, never having gone through such a thing, I didn't know exactly what to expect, Kemp was there to guide us...and it all went very well. We were very pleased with the results...and Kemp Anderson Consulting played a big role in that.”

-Francis Moticheck  
Owner - Ja-Roy Pest Control



“No drama, just results.”

-Jimmy White  
Advantage Green Lawn & Pest Solutions

## BEING PREPARED TO SELL BEFORE YOU'RE READY TO SELL

The goal before you go to market should be to understand the strengths of your company, perhaps opportunities for improvement, and expectations for the entire selling process, including your own exit. Begin with the end

in mind. Company owners should prepare to sell before they sell, which includes understanding all financial implications such as profit and loss statements, balance sheets, tax returns; employee and customer retention;

pricing; marketing/sales and growth analysis; technology (IT) policies and procedures; accounts receivable; fleet; route density; market demographics; and more.

## 5 CRITICAL STEPS TO A SUCCESSFUL TRANSACTION

1. A mergers and acquisition consultant is absolutely critical. And I'm not just saying that because that's our area of expertise. Most people have never sold a business before; selling your greatest asset is not the time to learn through trial and error. An M&A consultant should help you prepare to sell. As such, this person or team should know the pest management industry and your business inside and out in order to add value to you as you begin to prepare to exit while positioning your enterprise in its best light, taking time on the front end prior to going to market. However, it will pay large dividends as this work will help you and your family achieve a premium for your company. Skipping this step and not making this critical hire can literally cost millions of dollars in value as the offers for your company come in.
2. A specialized acquisition attorney is key to the process. Simply put, attorneys who specialize in M&A know what to focus on in an acquisition and will not waste everyone's time and your money focusing on silly things like font size or formatting or, worse yet, simply making a material error an experienced M&A attorney would not. A specialized acquisition attorney will make the process smoother and efficient for all involved while advocating for you, your family and the company that you built and are selling. A specialized M&A attorney is crucial.
3. CPAs are critical in this process. Some business owners do their accounting themselves or use bookkeepers. If owners or bookkeepers make mistakes in their work, it can be extremely costly as you exit your business. We believe it is critical to have high-caliber CPAs involved in this critical decision prior to selling and certainly post transaction to minimize exposure. Non-pest management industry CPAs and bookkeepers should not drive your acquisition process as service industries like ours are typically not their specialization.
4. Wealth management firms. Wealth management, family trust, and other critical family and life decisions should be considered as well as wealth management firms and estate attorneys (which is typically different from an M&A attorney) as you move to the end of the selling process. Typically, these transactions create more wealth than most people have ever dealt with in their life and as a result, having a professional team including, but not limited to, a wealth manager and estate planning specialist is the key piece to your team.
5. Ultimately, when the business is completely prepared to go to market, you go; however, starting the process before you and the business are prepared is a costly mistake that should be avoided. At this point in the process, your team should be in place and ready for the frantic months ahead. This will ideally include multiple buyers and multiple offers as a result of the preparation and work, and the right team will be ready for due diligence, legal work, schedules and exhibits, and onboarding in integration that sellers should plan to support.

After meeting with multiple buyers, and reviewing multiple offers, you choose your offer (price and terms are critical), you choose your buyer and you execute. Choosing the offer and buyer often comes down to price, terms, and a fit between the buyers and sellers' cultures, merging what both value and believe in as business principles.

## WHY CHOOSE KEMP ANDERSON CONSULTING?

Selling your pest control company will probably be one of the most significant decisions you will ever make. Why go it alone? We can help bring direction to a complicated process. Here are a few of the reasons we hope you will consider Kemp Anderson Consulting when you sell:

Kemp Anderson is not an industry outsider:

- Kemp Anderson actually started in a truck in 1998
- Worked through operations and entered M&A at Sears Termite & Pest Control
- M&A experience ranges from
  - Privately held pest control companies both at Sears and Middleton
  - Public companies both at Orkin and Scotts
  - Private equity at Royal Palm
- Owned and sold his own pest control company

**Relationships:** With over 20 years in Pest Control mergers and acquisitions, I maintain relationships that benefit our clients with qualified buyers, CPA's, specialized M&A attorney's, wealth management, and more.

**Results:** Our clients only have one chance to exit their life's work, so it's critical that we get it right the first time. Kemp Anderson Consulting has a long, proven, track record of achieving both high revenue and earnings multiples for our clients.

**Knowledge:** I've spent over half my career representing some of the top buyers in our industry and I'm able to leverage that unique expertise for our clients from pre-sale preparation work to close and beyond. There is no other industry consultant, broker or investment banker with similar qualifications.

**Combined Firm Experience**

- Over 35 years of combined industry experience in the firm
- Master's degrees in Business and Entrepreneurship
- Representing some of the most prominent owners and company's in our industry

**References:** don't just take my word for it. We can connect you with other clients so that you can determine the best fit for you, your family and your business.

To confidentially learn more, please do not hesitate to call Kemp Anderson directly at 407-466-5859 or email at [kemp@kempanderson.com](mailto:kemp@kempanderson.com)

# OUR TEAM

## KEMP ANDERSON – [kemp@kempanderson.com](mailto:kemp@kempanderson.com) • (407) 466-5859

Kemp Anderson is the driving force behind Kemp Anderson Consulting. The business provides expert navigation to business owners and executive leadership on a number of initiatives including Divesting and all M & A development through post-integration activities, business strategy and implementation, due diligence when buying, selling or investing in any business, as well as transaction negotiation, negotiating from a seat of experience and knowledge, practicality and savvy personal presence to deliver the best value for all clients. Working tirelessly in the residential and commercial services industry sectors, Kemp works with private and public companies as well as private equity firms to drive growth and deliver increased profits.

Kemp possesses a keen vision of how to successfully run a business and reinforces his actions with financial expertise, common sense, and leadership capabilities including how to motivate, develop and manage employees to align with the goals of the enterprise and share in the rewards of success. Kemp has owned and operated his own company's, so he understands the challenges of day-to-day business, and yet can look at operations from a strategic perspective to guide future actions needed to stay current, profitable and in business.

Previously Kemp was the VP Business Development at Scotts Lawn Service (SLS), a division of Scotts MiracleGro (NYSE: SMG), the world's largest

marketer of branded consumer lawn and garden products. His responsibilities included leading all merger and acquisition (M&A) activity, developing new service lines, growing existing service lines, as well as the expansion of the franchise operations including service offerings and growth in a new geography.

As a business leader with SLS, he delivered an acquisition in less than 2 years of the defined strategic initiative. It was the 56 largest pest control company in the US launching Scotts into an entirely new service sector. Additionally, in 2013-2015, he was responsible for and grew the franchise network of over \$65MM in domestic revenue with 1,000+ employees to the largest organic growth in over 5 years for the enterprise. He also spearheaded new consumer service program offerings that produced record new service line revenue and profits for the enterprise.

Prior to joining SLS, Kemp was Director of Acquisitions for Rollins, Inc. (NYSE: ROL), parent of Orkin, responsible for expanding the company via merger and acquisition activity throughout North America and the Caribbean. In that role, he led Orkin into Puerto Rico and USVI helping take the organic footprint International.

At Middleton Lawn and Pest Control, Inc. (NASDAQ: SNR, a holding of Royal Palm Capital Partners – a PE Firm), Kemp was both Director of Business Development and Manager

of Legal Affairs. He was responsible for growing the company organically and via acquisitions, with oversight and negotiation of all acquisitions. The entire enterprise doubled in 5 years. As Manager of Legal Affairs, Kemp oversaw M&A, customer, and employee-related legal action as well as facility and environmental oversight to approximately 30 locations regarding leases and environmental guidance. As Founder and President of America's Pest Solutions and NOT1BUG.COM, he started and built a pest control and termite company from the ground up, offering the consumer a choice between conventional home services or do-it-yourself products purchased via an internet site, shipping products to the 48 contiguous states in the U.S., Mexico, and Canada. This endeavor included privately funded M&A activity.

He began his service industry experience at Sears Termite and Pest Control in Branch Operations, then Customer Service Leadership, District Operations Management and Leadership and later Director of Business Development company-wide. This is where Kemp first worked in M&A leading an effort to expand with patented products and processes from Australia. Kemp holds a bachelor's degree in Political Science from Rollins College (92) as well as an MBA from The Roy E. Crummer Graduate School of Business at Rollins College (94). Kemp and his wife live in Florida and are the proud parents of four sons.

## THERESA CHILDS – [theresa@kempanderson.com](mailto:theresa@kempanderson.com)

For nearly a decade, Theresa was the Brand Manager for Rollins, Inc. a premier global consumer and commercial services company (NYSE: ROL). Rollins provides essential pest control services and protection to more than two million customers from more than 700 locations around the globe. Theresa held marketing responsibilities for several wholly owned subsidiaries including Orkin LLC., Critter Control, Inc., and Trutech LLC.

Her responsibilities included creating brand affinity among target consumers while improving sales and market share, leading content strategy and execution, managing the development and maintenance of iPad sales applications, and she was a member of the new product development team; bringing new concepts, services and service enhancements to market. During her tenure at Rollins (2008 – 2017) there were 9 consecutive years of improved earnings, 12 major company acquisitions in the US and overseas, and the rollout of 5 major enterprise-level sales applications.

Prior to Rollins, Theresa worked in several marketing agencies. Her clients included The American Diabetes Association, Home Depot, Paralyzed Veterans of American, BellSouth, the State of Georgia, American's Second Harvest, SunTrust, Coca-Cola, Solvay, Merck, Arby's, Cracker Barrel, Cingular Wireless, Philips Electronics and Cox Communications.

Theresa holds both a bachelor's degree in Graphic Communications (2003) and an MBA (2016) in Entrepreneurship and Innovation from Clemson University. She and her family split their time between Greenville, SC and Atlanta, GA.