

The Ultimate Comparison: Selling Your SMB Company with 23.investments vs. Other Options

Introduction

As an SMB owner, you've poured your heart and soul into building your company. Now, you're ready for the next chapter, and finding the right exit strategy is crucial for ensuring a smooth transition and securing your financial future. But with so many options out there, it can be overwhelming to choose the best fit for your needs. That's where we come in. This blog post will provide an ultimate comparison of 23.investments, a tailored solution for [selling your SMB company](#), with other popular alternatives such as Venture Capital, Private Equity, and Brokers. Our aim is to guide you through the key differences, using simple language and a touch of controversy to help you make an informed decision that best suits your business and personal goals.

In the following sections, we will delve into various aspects, such as valuation targets, the selling process, founders/owners commitment, legal terms, returns, cash-out options, and company culture preservation. By the end of this blog post, you will have a clear understanding of why 23.investments stands out as the superior choice for [SMB owners looking to sell their businesses](#) while maintaining their legacy and securing a prosperous future.

Valuation Target: Realism vs. Inflated Expectations

A fair valuation is crucial when [selling your business](#), as it ensures that both the seller and the buyer enter a mutually beneficial transaction. In this section, we'll compare the valuation approach of 23.investments with that of Venture Capital, Private Equity, and Brokers.

23.investments

- Realistic valuations: 23.investments takes a comprehensive approach, factoring in the industry, market, unique advantages, company size, and profit multiples to determine a [fair value](#) for your business.
- Win-win transactions: By focusing on realistic valuations, 23.investments fosters a collaborative environment where both parties can reach a satisfactory agreement.

Venture Capital

- Inflated expectations: Venture Capital firms are notorious for seeking huge valuations, often detached from the actual value of the company. This can lead to overvaluation, which puts unnecessary pressure on the business and sets unrealistic growth expectations.
- Criticism: This approach can hinder a healthy transaction, as inflated valuations often deter [potential buyers and may result in the business remaining unsold](#).

Private Equity

- Maximum valuation for the fund: Private Equity firms

tend to focus on maximizing their own fees and squeezing out the highest valuation possible, even if it doesn't accurately reflect the company's worth.

- Criticism: This can lead to an imbalance in the transaction, as the seller may feel pressured to accept an unfavorable deal just to meet the fund's expectations.

Brokers

- Self-serving optimization: Brokers tend to prioritize their own commissions above the best interests of sellers and buyers, leading to less-than-ideal outcomes for both parties.
- Upfront commissions: These commissions are often charged upfront and may still apply even if the company is not sold in the end, leaving sellers at a disadvantage.
- Criticism: This approach not only wastes the seller's time and resources but also diminishes their chances of finding a suitable buyer, as unrealistic valuations deter potential buyers from making offers.

In conclusion, 23.investments offers a more realistic and balanced approach to valuation, taking multiple factors into account to ensure a fair deal for both parties. In contrast, Venture Capital, Private Equity, and Brokers often set inflated expectations, which can hinder the selling process and result in an unsatisfactory outcome for the seller.

The Process: Efficiency and

Simplicity with 23.investments

The process of selling a business can be a daunting and time-consuming endeavor. In this section, we'll discuss how 23.investments streamlines the process for efficiency and simplicity, and compare it to the lengthy, complex procedures of Venture Capital, Private Equity, and Brokers.

23.investments

- **Quick and efficient:** The process with 23.investments is designed for speed and simplicity, with an offer made in just 7 days, diligence completed in 30 days, and the deal closed in less than 60 days.
- **Seller-friendly approach:** By minimizing paperwork and expediting the transaction, 23.investments allows sellers to focus on their business operations and transition with ease.

Venture Capital

- **Lengthy and complex:** Venture Capital firms are known for their extensive due diligence, which often takes 3-6 months to complete and requires a considerable amount of paperwork.
- **Criticism:** This prolonged process can cause unnecessary stress for sellers, who must juggle the demands of their business with the requirements of the Venture Capital firm.

Private Equity

- **Time-consuming and complicated:** Much like Venture Capital, Private Equity firms typically take 3-6 months to complete a transaction, with a heavy emphasis on

paperwork and complexity.

- Criticism: The drawn-out process can lead to frustration and delays, potentially causing the seller to miss out on other opportunities or lose momentum in their business operations.

Brokers

- Uncertain timeline: With brokers, the process can take up to 12 months or even longer, with no guarantee of a successful sale. In fact, only 1 in 20 companies listed with brokers actually sell.
- Limited marketing capabilities: Brokers often rely on traditional and outdated marketing methods, lacking the digital expertise needed to effectively promote and sell businesses in today's online-driven marketplace.
- Criticism: This highly unpredictable timeline can drain the seller's resources, making it difficult to plan for the future and resulting in a negative experience overall.

In summary, 23.investments offers a streamlined, efficient process that respects the seller's time and resources, making it an ideal choice for SMB owners. On the other hand, Venture Capital, Private Equity, and Brokers often involve lengthy, complex procedures that can hinder the seller's ability to manage their business effectively and move on to the next chapter of their lives.

Founders/Owners

Commitment:

Flexibility for a Better Future

One of the most critical aspects of selling a business is determining the future involvement of founders and owners. In this section, we'll discuss the flexibility offered by 23.investments in comparison to the rigid commitments required by Venture Capital and Private Equity, as well as the unclear plans provided by Brokers.

23.investments

- Flexibility for founders/owners: 23.investments offers a variety of options for founders and owners, allowing them to stay, go, or choose a combination of both. This approach respects the preferences and needs of sellers, ensuring a smooth transition for everyone involved.
- Benefits: This flexibility allows founders/owners to make the best decision for their personal and professional future, whether that means [continuing to contribute to the business](#) or moving on to new opportunities.

Venture Capital

- Rigid, long-term commitments: Venture Capital firms often require founders/owners to stay involved in the business for 5+ years, effectively locking them into an extended commitment.
- Criticism: This inflexible approach can be detrimental to the well-being and career aspirations of founders/owners, who may feel trapped or limited in their ability to pursue other opportunities.

Private Equity

- Fixed commitments with earn-out structures: Private Equity firms typically mandate a 3+ year commitment from founders/owners, often combined with performance-based earn-out structures that can tie their financial [success to the business's](#) future performance.
- Criticism: This arrangement can be stressful for founders/owners, as their financial future becomes dependent on the company's success even after they have transitioned away from daily operations.

Brokers

- Unclear plans: When working with Brokers, the future involvement of founders/owners is often ambiguous, leaving them uncertain [about](#) their role and responsibilities post-sale.
- Rudeness and inflexibility: Some brokers can be dismissive of potential buyers, focusing only on proof of funds and showing little interest in crafting a win-win [deal structure](#) that benefits both the buyer and the seller.
- Conflicting interests: The business model employed by brokers inherently creates a conflict of interest between their own needs, the needs of potential buyers, and the needs of SMB sellers, ultimately hindering the possibility of a successful transaction.
- Criticism: This lack of clarity can be unsettling for sellers, who may feel unsure about their future and struggle to make informed decisions about their personal and professional lives.

In conclusion, 23.investments stands out for its commitment to flexibility and the well-being of founders/owners, allowing them to choose the level of involvement that best suits their

needs and aspirations. In contrast, Venture Capital and Private Equity options impose rigid, long-term commitments that can be stifling, while Brokers often fail to provide clear plans for the future involvement of founders/owners.

Returns: A Win-Win Partnership with 23.investments

When selling a business, the potential returns play a significant role in shaping the outcome for founders/owners. In this section, we'll explore the realistic deal structures proposed by 23.investments, expose the pressure for high returns and risks associated with Venture Capital, and discuss the short-term focus and disregard for long-term success prevalent in Private Equity and Brokers.

23.investments

- Realistic [deal structures](#): 23.investments focuses on creating win-win partnerships that benefit both the seller and the buyer, offering deal structures based on realistic expectations and a long-term vision.
- Benefits: This approach fosters collaboration and ensures that both parties are satisfied with the transaction, ultimately resulting in a successful and sustainable partnership.

Venture Capital

- Pressure for high returns and risks: Venture Capital firms typically push for 10–100x returns, which translates into immense pressure and high risk for the businesses involved. This demand for exceptional growth often comes with only a 3% chance of success.

- Criticism: This high-pressure environment can lead to unhealthy practices within the company, potentially compromising its long-term viability and negatively impacting the founders/owners' financial future.

Private Equity

- Short-term focus: Private Equity firms often aim to flip the company within 3–5 years, disregarding its long-term success in favor of maximizing returns within a limited timeframe.
- Criticism: This short-sighted approach can be detrimental to the company's overall health and sustainability, leaving the business and its employees vulnerable in the long run.

Brokers

- Disregard for long-term success: Brokers tend to prioritize maximizing their commissions and upfront payments, with little to no concern for the company's long-term success or well-being.
- Criticism: This lack of foresight can lead to unfavorable deals for the founders/owners and hinder the business's ability to thrive in the future.

In conclusion, 23.investments offers a balanced approach to returns, focusing on realistic deal structures that promote long-term success and collaboration. In contrast, Venture Capital firms often impose pressure for high returns and risk, while Private Equity and Brokers typically prioritize short-term gains, disregarding the long-term success and sustainability of the business.

Cash-Out: Fair Deal Structures for All Parties

When selling a business, the cash-out [options](#) available to founders/owners can significantly impact their financial well-being and future prospects. In this section, we'll describe the full or partial cash-out options provided by 23.investments, criticize the limited or non-existent cash-out options offered by Venture Capital and Private Equity, and reinforce the unclear plans presented by Brokers.

23.investments

- Full or partial cash-out options: 23.investments offers flexible cash-out options to sellers, enabling them to choose between a full or partial cash-out based on their preferences and needs. These fair deal structures prioritize a win-win outcome for the owner, employees, and investors.
- Benefits: By offering flexible cash-out options, 23.investments empowers founders/owners to make the best decisions for their financial future, whether that involves cashing out entirely or retaining a stake in the business.

Venture Capital

- Limited or no cash-out options: Venture Capital firms often provide no cash to founders, instead focusing on investing funds for business growth.
- Criticism: This [approach can leave founders/owners with limited financial](#) security, potentially causing stress and inhibiting their ability to pursue new opportunities or enjoy the fruits of their labor.

Private Equity

- Restricted cash-out options and earn-out plans: Private Equity firms typically offer limited cash to founders, along with tough earn-out plans that may not provide any additional funds for business growth. This approach often involves squeezing the company for profits through price increases and other measures.
- Criticism: These restricted cash-out options can hamper the financial well-being of founders/owners, making it difficult for them to achieve their financial goals or enjoy a comfortable retirement.

Brokers

- Unclear plans: Brokers often fail to provide clear cash-out plans for founders/owners, leaving them uncertain about their financial future and the potential implications of selling their business.
- Criticism: This lack of clarity can create anxiety and confusion for sellers, making it challenging for them to plan for their future or make informed decisions about their personal and professional lives.

In summary, 23.investments stands out for its flexible and fair cash-out options, which prioritize the financial well-being and future of founders/owners. In contrast, Venture Capital and Private Equity options often limit cash-out opportunities, potentially compromising the financial security of [sellers](#). Meanwhile, Brokers tend to provide unclear cash-out plans, leaving founders/owners feeling uncertain and ill-informed about their financial prospects.

Preserving and Enhancing Your Company's Essence

The culture of a company is a vital aspect of its identity and success. In this section, we'll applaud the commitment of 23.investments to maintaining company culture and providing long-term support, criticize the limited support and culture destruction caused by Venture Capital and Private Equity, and remind readers of the unclear plans offered by Brokers.

23.investments

- Preserving and enhancing company culture: 23.investments respects the existing culture of the companies it acquires, allowing them to operate as-is without imposing significant changes. Additionally, they provide support through digitalization, coaching, and network access, helping businesses grow and thrive in the long term.
- Benefits: This approach ensures that the company's essence remains intact, preserving its unique identity and fostering a healthy work environment for employees.

Venture Capital

- Limited support and potential culture destruction: Venture Capital firms often focus primarily on fund returns, providing limited support to the [companies they invest](#) in. This single-minded pursuit of profits can jeopardize the company's culture, negatively affecting employees and the overall business.
- Criticism: This approach can undermine the company's core values and long-term success, ultimately damaging the very foundation upon which the business was built.

Private Equity

- Disregard for company culture: Private Equity firms are known for prioritizing fund returns over the well-being of the company and its employees, often leading to the destruction of the existing culture. Their primary focus is on financial gains, which can come at the expense of the company's essence and workforce.
- Criticism: This callous approach can be devastating for the company and its employees, resulting in a toxic environment and potential long-term harm to the business.

Brokers

- Unclear plans: Brokers generally fail to provide clear plans regarding the preservation or enhancement of company culture, leaving sellers in the dark about the future of their business and its employees.
- Criticism: This lack of foresight can result in unfavorable outcomes for the company, its culture, and its workforce, as the seller may be unable to make informed decisions to protect the business's unique identity.

In conclusion, 23.investments demonstrates a strong commitment to preserving and enhancing the culture of the companies it acquires, ensuring the long-term well-being of both the business and its employees. In contrast, Venture Capital and Private Equity options often prioritize financial gains over company culture, potentially causing irreversible damage to the business's core values and workforce. Meanwhile, Brokers fail to provide clear plans regarding company culture, leaving

sellers feeling uncertain about the future of their business and its employees.

Conclusion

In this article, we have explored the various options available to SMB owners looking to sell their businesses, comparing 23.investments to Venture Capital, Private Equity, and Brokers. Our analysis has highlighted the numerous advantages offered by 23.investments, including realistic valuations, an efficient and straightforward process, flexibility for founders/owners, fair legal terms, mutually beneficial returns, accommodating cash-out options, and a strong commitment to preserving company culture.

As SMB owners contemplate their exit strategies, it is essential to consider the implications of each option thoroughly. By choosing 23.investments, sellers can benefit from a fair, efficient, and flexible approach, ensuring a smooth transition and long-term success for their businesses. Unlike Venture Capital, Private Equity, and Brokers, 23.investments prioritizes the well-being of the company, its employees, and the founders/owners, creating a win-win situation for all parties involved.

In conclusion, we urge SMB owners to explore 23.investments as a viable and promising alternative to traditional options. We encourage you to learn more about the unique benefits offered by 23.investments and make an informed decision for the future of your business, your employees, and your own financial well-being. Don't leave your company's fate in the hands of those who may not have your best interests at heart; take control of your exit strategy and choose 23.investments for a brighter, more secure future.