

Causing a Landslide

I sold Landslide Towing a number of years ago.

The company had ten vehicles: six of them were owned by independent drivers and four of them were owned by the company. Landslide had central dispatch, a contract with the local police department, a secure compound, and a good reputation in the community.

Landslide was being sold to a competitor in the next community, which made it a good fit from both a strategic operation and a marketing perspective. The merged companies would result in substantial operational savings to the new owner. The buyer was paying a significant premium for the business.

Jim, Landslide's seller, was a bit nervous about the sale.

In addition, he was a very talkative guy.

The transaction was scheduled to close on December 31.

I called Jim virtually every day that month and said, "You haven't told anybody yet, have you?"

"No, sir. I haven't told a soul," was always his answer.

When I called on the 23rd, Jim said, "I think I may have done a bad thing."

"What did you do?"

"Well, we had our staff Christmas party last night and

I had a few drinks more than I should have had and became rather emotional. I said, 'I'm going to miss you guys.' They immediately wanted to know what I meant by that. I had to tell them that I had sold the business to Al in the next community."

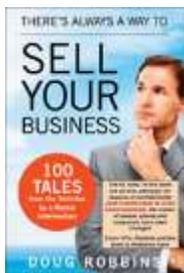
"What happened after that?"

"Not much. Everything was fairly quiet and we all shook hands and went home. Do you think I screwed up my deal?"

"I don't know. Only time will tell."

On the 27th, those six independent truck drivers got together, went down to a registry office in Toronto, and incorporated a new company. The next day they were in business and in competition with our client.

Jim's transaction never closed.



This story is from Chapter 5 of Doug Robbins' book "**There's Always a Way to Sell Your Business**"

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