ART OF SALES ACADEMY

Overview: 6 y/o Digital Marketing Agency

Generated in 2021: $940k Revenue, $390k SDE, $220k EBITDA, 52% Revenue & Profit Growth Trailing 3 YR Average

$924k Trailing 12-Months Revenue. 20k Followers on SM & 4k Email Subscribers

3 Year Lookback Rev/SDE/Profit Comparision

2022 PNL

2021 PNL/Financial Statements

2020 + 2019 PNL/Financial Statements

SDE Calculation & Explanation

Website: ART OF SALES ACADEMY

Untapped Profit Centers

1. Email List (mostly unused in the past 2+ years with a few emails that generated sales calls each time. Last email sent approx. 6 months ago)
2. Answer/follow up with inbound phone calls
3. Follow up with leads that don't book an appointment
4. Hire more sales reps (worked well in the past)
5. Generate new leads beyond outreach and social media
6. Add more SEO / Organic / Content
7. Expand offerings and upsell new and existing clients / increase average order value / lifetime customer value
8. Improve website lead throughput: e.g. Turn on LiveChat
9. Reengage past clients

10. Run paid advertising campaigns
11. Hire a social media/content manager to post content for additional leads.

FAQ

How We Acquire Customers

We acquire customers through direct outreach via Linkedin + email (33%), strategic partnerships and existing network (33%) social media content (33%).

What are the required **tasks**/hours per week for the owner to run the business?

A: Primary required tasks are to manage existing lead gen systems. I currently take sales calls but previously had a rep who had been handling sales. Id say 10-20 hours a week is management for business primarily because I am currently responsible for sales and lead gen. In the past, we had a sales rep and lead generatorer, and if this scaled, management of business would be closer to 4-5 hours a week, attending team meetings and ensuring systems are running properly.

Currently our team handles all fulfillment. We have SOPs to hire and train new team members. SOPs for new sales reps.

Only piece is the lead gen and sales which I am currently involved in but could be outsourced as well, esp. If new lead sources added.

A: Yes, team and service providers on staff/available to fulfill all product offers with excellence.

What are the **Churn Rate** and **Lifetime Value?**

A: 5 - month client retention average with an LTV of 12,000. As of late, 5 months ... this is up from 2-3 months when we started business. Churn mostly due to folks getting through all their leads, lack of budget, desire to check out other marketing campaigns... Larger clients typically stay on longer, 1 year plus ... staffing and recruiting clients stay on 7+ months.

What does your business do and how do we differentiate ourselves:?

Art of Sales academy, which has profitably been in business every year since it's 2017 inception, is a Digital Marketing Agency and Sales Consultancy helping small business owners grow their business.

A huge value of AOSA is the intelligent business development services woven into the DNA of our services. We use only USA based team members who truly understand B2B. Most of our clients choose us over competitors 5x cheaper because they pick up on our business acumen and understanding of their business.

We are well suited for true B2B businesses who don't trust any outsourced lead generator and wants a real time that understands their business to back them up.

We have two approaches that our clients love when it comes to bus. Dev and marketing.

Scalable Personalization - The idea of blending automation, tight campaigns and great messaging to send semi-automated messages at scale that feel personalized.

Most sales teams either spam and burn bridges or over think personalized messages and never have enough volume. The sweet spot is Scalable Personalization.

Mythic Content - We believe in creating social media content that is story driven and emotionally impactful, where their ideal client is the hero and the company is the guide. This Hero's Journey framework is what helps our B2B clients stand out in their Linkedin posts and emails.

Our Product and Services:

- Done For You Linkedin and Email Lead Gen Services (our core service)

- Sales Team Training and Sales Automation implementation
- Content Creation and Content Consulting

We see our job as more than just simply building brands. We see our job as anticipating a client's unmet and unforeseen needs. While other agencies brag about revenue numbers and client roster, we treat each client as the center of our universe when it comes to customer service, beyond just online marketing, beyond even their business. It's about finding the right strategy and assistance for the owner and business objectives.

How does your business make money?

Servicing and retaining clients on a monthly basis.

Why are you selling this business?

The business is poised for growth and the owner is not the best peson to take the company to the next level so it's in better hands of someone who can who can take full advantage of the team and processes in place with a 6-year track record of robustness and success. Owners is passionate about other personal projects and wants to spend more time elsewhere.

Who would this business be perfect for?

Anyone who has either started, grown, or wants to own and grow a reputable B2B outreach and sales agency where you can work fully remotely and have ownership over your time and schedule.

Anyone with operational proficiency and/or sales and marketing background.

Why do clients leave? They have enough leads and they are good, or the leads run dry? Or?

If we were hyperselective and hyperfocused with our marketing, I believe we'd decrease churn. Churn in our case is in part a sales problem, in that I haven't always been super strategic on the clients we bring on ... and that of course leads some to stay for less time.

When we close businesses doing $3M+ they stay for a year plus.
Staffing and recruiting longer.

Larger busiensses stay on longer because they view lead gen as an ongoing necessity and we do it better and cheaper than hiring a kid out of college at 2x the price.

Smaller businesses may leave sooner as budget so important.

When we supporting sales teams, in enterprise deals, they love us because their sales cycles are 6 months to 1 year and we are able to open doors in a way they arent.

Staffing and recruiting companies love us too because market is so hot and our strategies are very effective.

Smaller businesses, with lower ticket items churn quicker as they have less patience and dont see ROI as quickly.

In some cases, we arent able to get enough leads, or the leads run out ... We've dealt with the former by being more selective... the latter can be upsold into other offers like email / SEO / content ... we do do this at times but I typically do prefer to just allow a bit of churn as its pretty easy to get new clients and focus on our core competencies.

How much revenue and profit is he providing his clients? Define ROAS with your clients.

Good clients are seeing 5x-10x ROI ... in simplistic terms this is defined by the revenue they receives for the amount invested. Some of these clients see deal sizes in the hundreds of thousands, so one deal, even if they pay for our services for 6 months, provides a 20x-30x ROI...

There arent so many ways to open doors for B2B enterprise clients. PPC doesnt work so well. Smart outreach and content works well.

For staffing and recruiting companies like a 2x-4x as their deal sizes a bit smaller.

If the pond is dry after 3 months, maybe charge more in the beginning and then less after that?

This is a great idea. We have done this if we were unable to provide enough leads in later months.

Total number clients he managed last year

Total clients last year = 68 clients total between some that stayed prior to 2020/2019 ... and others that were now.

Anything proprietary/intellectual property? Maybe your process?

Yes.

Scalable Personalization = the approach we train our team and clients on to send messages that feel 80-90% personalized while using automation to scale. The happy medium between too much scale which burns bridges or falls flat, or overly personalized outreach which takes too long and doesnt generate enough volume of leads.

What if there's a LinkedIn algo change

We've been running this service for 4 years and have dealt with a dozen various algo changes and have adapted each time. There have always been solutions and at times, our ability to pivot has given us an edge while other marketers were scrambling.

An example: Linkedin limited about of connections one could make weekly but allowed uploaded emails to allow for as many connections as preivously. We created a process to capitalize on this and were able to get more connections and messaging out while competition was limited.

Another example: If connections are limited we manage to get ROI for clients through inmails, messaging people in Linkedin groups, email campaigns.

Business development for B2B businesses will always be needed. Our core speciality is finding the proto-marketing ... the hook ... and strategy that opens opportunities immediately and

creates the kernel of messaging that works for all other marketing.

Digital outreach will remain. Tweaks in process may occur but the core of what we do is a necessity and timeless as long as people are doing business and internet communication exists.

How to replenish leads without business owner (systematize your leads and sales, maybe higher a social media manager to do the social media posting you've been doing, etc.)

Last year I had someone on my team running lead gen and handling sales calls. He helped bring our business to 7 figures.

I've been a bit lazy finding another sales rep this year as my focus has shifted away from growing business but setting up a sales person and pushing outreach on Linkedin and email would be an easy way to get sales going.

I'd use this approach before content etc.

Deeper investment into content, SEO ... these would only help to create more inbound lead flow.

Do you know what caused your revenue to spike in May and June 2021?

May and June is when sales rep really started finding his groove plus owner was selling.

Do you know what caused your revenue to spike in September and October 2021?

Closed a 20,000 engagement, which is atypical than services we typically sell.

How automated is your process for outbound lead generation via LinkedIn? If it is more labor-led, what is the general process and timeline that the team has to service clients?

It's a mix of automated and labor. More manual upfront to create the strategy and tweak campaigns... more automated once we get humming. Manual is booking calls. Automated is the outreach itself to connect and get interest

What is the nature of the '6510 Consulting Expenses' that was present in-between Jun-21 and Sep-21?

That was a training to better systematize the business.

Why did the 'Account Managers' expense spike in Oct-21?

We had extra support during this month for a client.

Why did the '6500 Strategic Partners expense' end on Oct-21?

Strategic partner are just people who send us referrals, it goes up and down.

What has caused the c.42% decline in revenue from Sep-21 to Jan-21? Is this just a normalization after the spike?

It is a bit of natural normalization after heavily applying energy into sales/marketing and generating increased revenue. This can be sustained and continued in the hands of an owner who is better equipped to grow the business and take it to the next level. To be clear, there is no business and/or external obstacle that prevents continuance or growth, but the current owner is simply not the best person to lead the growth of this company.

Is all the work being done by 1099'd contractors? Are any of these contractors exclusive to the company or do they all work with other clients as well? This question is related to state and local tax issues that could arise if this type of fulfillment infrastructure would need to be continued with a new owner.

Assets

- Brand assets
- Contracts (written or verbal) with customers and suppliers
- Customer databases
- Domains
- Marketing materials and collateral

- Registered trademarks
- Relevant email accounts
- Social media accounts
- Website files, source code, and content

Social Media

Mailing List: 4K email addresses

How many clients do you have?

A: Currently we have 25 active clients

What's your churn rate?

A: 5 months is the average client retention.

Can I see a breakdown of the countries your clients reside in?
A: 90% USA, 10% Europe

Potential Buyer FAQ - Expanded and Unabridged Version

- Current Team
    - Is the current team loyal and would they stay if I want to use them or could I replace them?
        - YES
    - Fulfillment
        - Ross - campaign strategist, handles all client fulfillment and strategy
        - Noel - Handles account management, booking calls for clients inbound leads that Ross creates
        - Tristan - campaign strategist
        - Mallory - Operations Director, brilliant, handles contracts, softwares, systems and ensures everything runs smoothly
        - Liza - Administrative, Virtual Assistant, handling all technical elements of setting up email campaigns, Linkedin campaigns etc.
        - Laura - Virtual assistant handles client reporting
        - **Team Pay**
            - Mallory Cypher - Director of Ops / Account Manager ... she's paid $1500 for director of ops role + 400 per acccount management client .. 300 / mo acct mgmt, 250 bonus for retention for months 4 6 8 etc.

- Ross - Campaign Strategist 500 for initial strategy ... 400/mo of management. 250 retention bonus months 4, 6, 8 etc.
- Tristan - Campaign Strategist 500 for initial strategy ... 400/mo of management. 250 retention bonus months 4, 6, 8 etc.
- Noel - Account Manager $300 per account +
- Laura Sanchez - Reporting / Client Admin $6/hr
- Liza - Administrative Support $5/hr

Sales

- Currently no sales rep. Last year we had a sales rep who brought in 25% of our business.

- Current lead channels
    - Email outreach campaigns
    - Linkedin outreach campaigns
    - Social media content
    - Strategic Partners
- Team Project Management
    - Asana and Slack
- Email List
    - 4k contact

- How does the fulfilment work
    - Strategist creates campaigns
    - Then another deals with the outreach and call scheduling
- Are your workers US based employees?
    - Full-time / part time
        - 3 full time / primary source of income with Art of Sale Academy
    - Where are they located?
        - Washington DC, CA, Ohio
        - Colombia
        - Philipines
    - 1099 or W9?
        - 1099s
- Client Industry breakdown / who are the best verticals/niches/clients?
    - IT consultants
    - Project management companies
    - Saas
    - 30% staffing
    - 70% have been under $2mm/rev
- How long does it take to get results?
    - Do you still have the 10-20 appts guarantee?

    - 5-10 appts the first month?
- What strategic partnerships do you currently have or are the referrals all just from clients?
- Sales reps
    - Was generating 2 sales a month then moved on for his own entrepreneurship aspirations
    - 25% close ratio
- Software
    - ULink: LI automation
        - 50-100 connection requests/day
    - Woodpecker: email outreach, mass emailer cold outreach, integrate with
    - Pipedrive
        - CRM but not maintained well

- Forecast 2022 per client ...
    - We've signed 4 new clients since we sent that document 2 weeks ago. We have capability to close 5-10 clients a month quite regularly. Average client stays on 5 months or so. Longer they stay on the longer they likely to continue to stay. So you can assume clients on spreadsheet who are newer will leave in 5 months while clients who've stayed longer then 6 months will continue to stay.
- In your forecast for 2022, why do you envision a decrease in revenue? how do you support the increase in SDE costs?
    - We started this year a bit slower, mainly because I took my eye off the ball on lead gen and sales a bit. I needed a break and focus on other business interests for a moment. May will see an uptick in revenue and I foresee us closing the year strong. I have a vision for growth now that wasn't as clear to me prior to having conversations with potential buyers. ... I'm currently implementing that vision and its clear to me our sales will grow MoM with our highest revenue/profits ever still ahead of us this year. My forecast with these update lead gen systems and the hiring of sales reps and lead generators would bring this years revenue to a similar level as last year or perhaps surpassing last year slightly ... with a forecast of 2023 to increase revenues by 30-40% ...
- Can you provide a detailed flow of sales on a per-product basis?
    - This would take me time to create. The vast majority, 90-95% of our clients are buying done for you lead gen services ... which is our stancard service.
- How do you manage advertising budgets and what metrics/KPI do you use to assess its effectiveness?
    - We dont spend on advertising really. We use Linkedin lead gen and content. The software costs $99/mo. Linkedin Sales Nav is $99/mo. $200/mo generates about 20 calls a month for us. More accounts more calls. Then someone setting the calls, about $300 per account. Content created and shared on Linkedin also helps with Lead Gen.
- What is the Rate of Revenue from Repeated Customers estimated for 2022 onwards?
    - $2750/mo is the average client package / rate of monthly revenue.
- What are your costs of sales and how is your production infrastructure?
    - See above. Very low/nominal advertising costs. Only extra cost associated would be the sales rep we plan to hire soon which would bring the cost of sales to around 15% of the revenue (when you factor in the retention of a client that brings down the cost of the sale on a % basis).
- Do you own office space or is it in a lease/co-working format?

    - We do not own a space
- What would be the salary of an employee performing the current functions performed by the owner?
    - My primary function is managing our lead gen and sales process. I am in process of replacing myself with commission only lead setters to book appointments and manage systems who will be paid 5% per appointment ... and commission based closers who get paid 20% per sale (based on collected upfront revenue / Month 1 - all of this is negotiable depending on how what we offer the sales rep, i.e. could be incentivize to close clients that retain longer). The other functions are of course as CEO ... guiding strategy, hiring and overseeing operations. Once these new sales generation systems are set up, there would be minimal involvement/required management so I would place the salary in the 80-100k/year range to oversee current operations and continue to look for new growth opportunities. The distinguishing factor here is that we have proven lead gen systems (the bread and butter of our business we use for clients and to generate our own leads) so with that alone, and once the sales rep is hired, there could be minimal required salary/involvement to maintain and grow we we've already built.
- What are your current strategic partners that refer clients? what is their fee structure?
    - Main one currently is Intrepy, they receive 10% of the 1st year of client engagement
- Are there any major investments that you have considered or are considering in the immediate future? If so, what would they be for?
    - Investing in building out sales team and team of lead generators doing outreach yes. This will be a "major" investment in terms of ROI/results but not a large upfront cost to the business. Is designed to be ROI positive from the start.
- Do you have any non-operative assets?
    - no
- What current/long-term debt do you have?
    - zero
- Would you prefer to sell clean of financial debt or would you be open to transferring debt to the buyer? If we would like to pay the debt, what are the conditions of your liabilities (rate, time)?
    - no debt.
- Who administers the database and how do you manage personal data from clients?
    - Stripe, owner, and our book keeper manages.

- Do you use your database for other products/services or cross-selling activities?
    - no we do not.
- What contents do you produce/own that are shared with clients and/or social media?
    - We have sales courses, training videos on how to use our methodology.