

Overview

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|--|--------------------------|
|  Industry | Technology |
|  Type | Cloud Computing Services |
|  Years in Business | 17 |

A well-established cloud computing company turned to True North Mergers & Acquisitions (TNMA) as their exclusive financial advisor to explore the sale of their business. Their multi-platform capabilities cover a wide array of cloud computing and disaster recovery services, including Platform as a Service (PaaS) and Infrastructure as a Service (IaaS). The owners, looking to retire, wanted to ensure that the company's legacy continued and believed it would flourish under the guidance of another player in the IT services sector. With a strong competitive advantage and established relationships with a diverse range of clients in place, the company was well-equipped to support growth and deliver reliable IT solutions.



Key Takeaways:

Market Impact

The U.S. cloud services market is experiencing a surge in popularity as organizations increasingly embrace digital transformation and hybrid work models. This shift is driven by the desire to improve operational efficiency, optimize costs, and elevate user experiences. By 2026, revenue in this industry is expected to reach \$323 billion in the U.S.

TNMA's Compass Exit Opinion (CEO) strategy leveraged favorable market conditions to negotiate advantageous deal structures, positioning the company for success. After 169 days, TNMA successfully facilitated the sale to the private equity group, ensuring a smooth transition for the founders while setting the stage for the company's future success.

Buyer Synergy:

Private Equity Firm

The private equity group that acquired Project Cloud identified the company as an attractive investment opportunity due to its strong industry reputation, consistent year-over-year growth, excellent customer retention, and diverse customer base. The Private equity group also saw that the company placed a deep emphasis on establishing long-term relationships, with both customers and vendors, that were supported by a dedicated and experienced team positioning it well for future growth.

CEO Process Insights

01 Preparation Phase

The business owner's preference was to sell to an incumbent buyer rather than go to market. TNMA's advisor initiated discussions with this buyer while also preparing the marketing materials necessary to go to market.

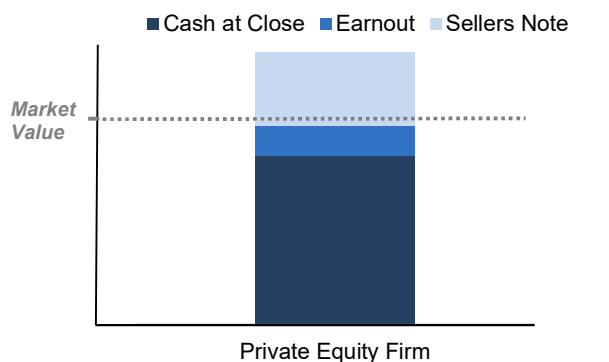
02 Marketing Phase

With TNMA's team and the [Quiet Auction™](#) working on their behalf, a sense of urgency was created and the incumbent buyer knew they would eventually have to compete with other potential buyers if they did not submit a strong enough offer.

03 Execution Phase

The final stages of the transaction included TNMA's team managing a comprehensive due diligence process that ensured the price and terms of the accepted offer remained unchanged.

QuietAuction™ Negotiations



Market value - an estimate of the current price at which an asset or enterprise company can be bought or sold

Results: TNMA understands the language buyers speak and knows how to get the best possible deal to the closing table. With Project Cloud, despite negotiating with only one buyer, TNMA was able to create the type of leverage necessary to ensure the buyer's offer was higher than it otherwise would have been. This resulted in a final sale price 30% higher than the initial target price.