

Title:

Business service offerings and liquidity

Word Count:

541

Summary:

^Being all things to all people~ sounds good, but in most cases it reduces the liquidity of a

Keywords:

finance, mergers, acquisitions, valuations, company valuations, Internet

Article Body:

^Being all things to all people~ sounds good, but in most cases it reduces the liquidity of a

- The most liquid scenario is a co-located web hosting client base, with no data center,

- The least liquid scenario is a web hosting company, which offers design services, ha

Valuation Difference:

Something I have seen many times is the owner/decision maker on the sell side has heard web ho

Design Services:

The decision to staff up and start offering web design services to complement the pure play ho

Negatives of design departments when it comes time to sell:

- From the buyer's perspective, acquiring the entire company and keeping the design effo

- From the buyer's perspective, acquiring the entire company then canceling the design e

- My estimate is for every 20 buyers of a pure play hosting company, there are only 1-2

Internet Data Center:

Investing in an IDC may increase the value of the entire company by an enormous amount over ti

Owning an underutilized data center reduces the number of one type of buyer the ^cash flow b

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