



Best Practices for Agency Operations *Webinar Series*

2 | Best Practices

Mergers & Acquisitions as a
Growth Strategy

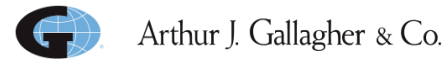
June 2016
Tom Doran

The M&A Landscape



Regional & National Acquirers

1994 - 1995



Regional & National Acquirers

Today

WELLS FARGO



RISK STRATEGIES COMPANY



EBSCO

TOWNE BANK

Alliant

BroadStreet Partners



EPIC



INSURICA INSURANCE MANAGEMENT NETWORK



Leavitt Group



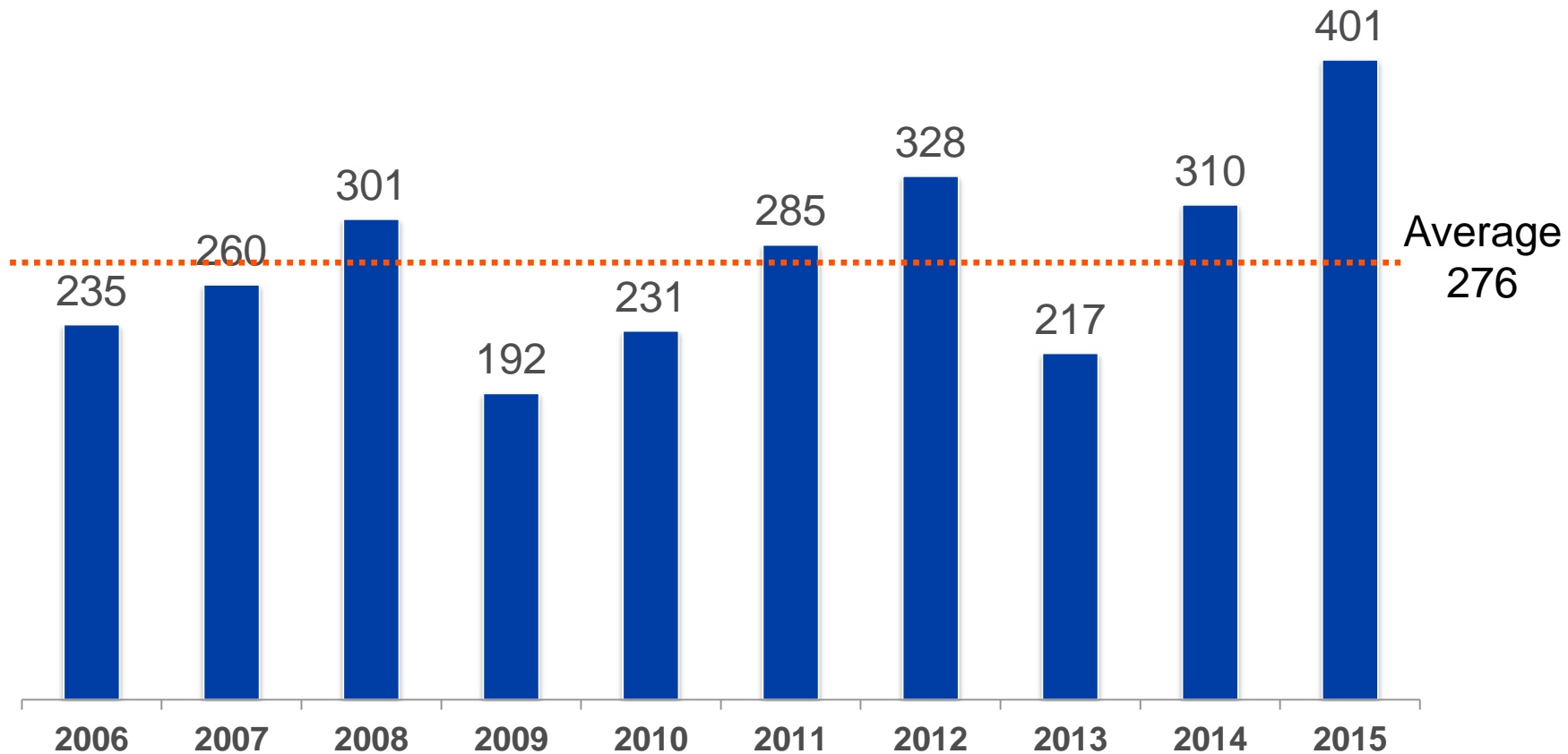
Arthur J. Gallagher & Co.

AON



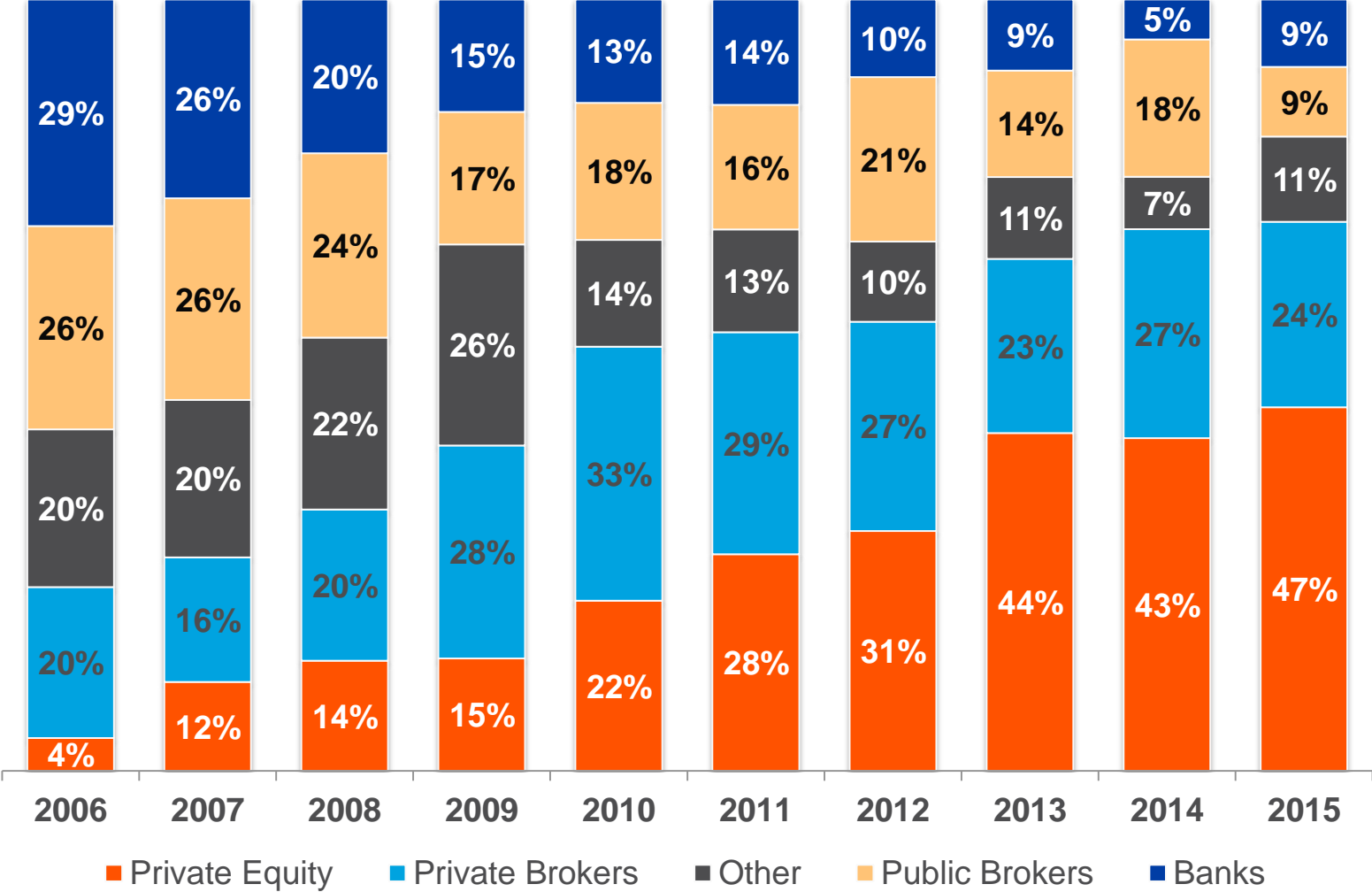
HABA Best Practices enhance agency value™

Recent Deal Activity by The Numbers



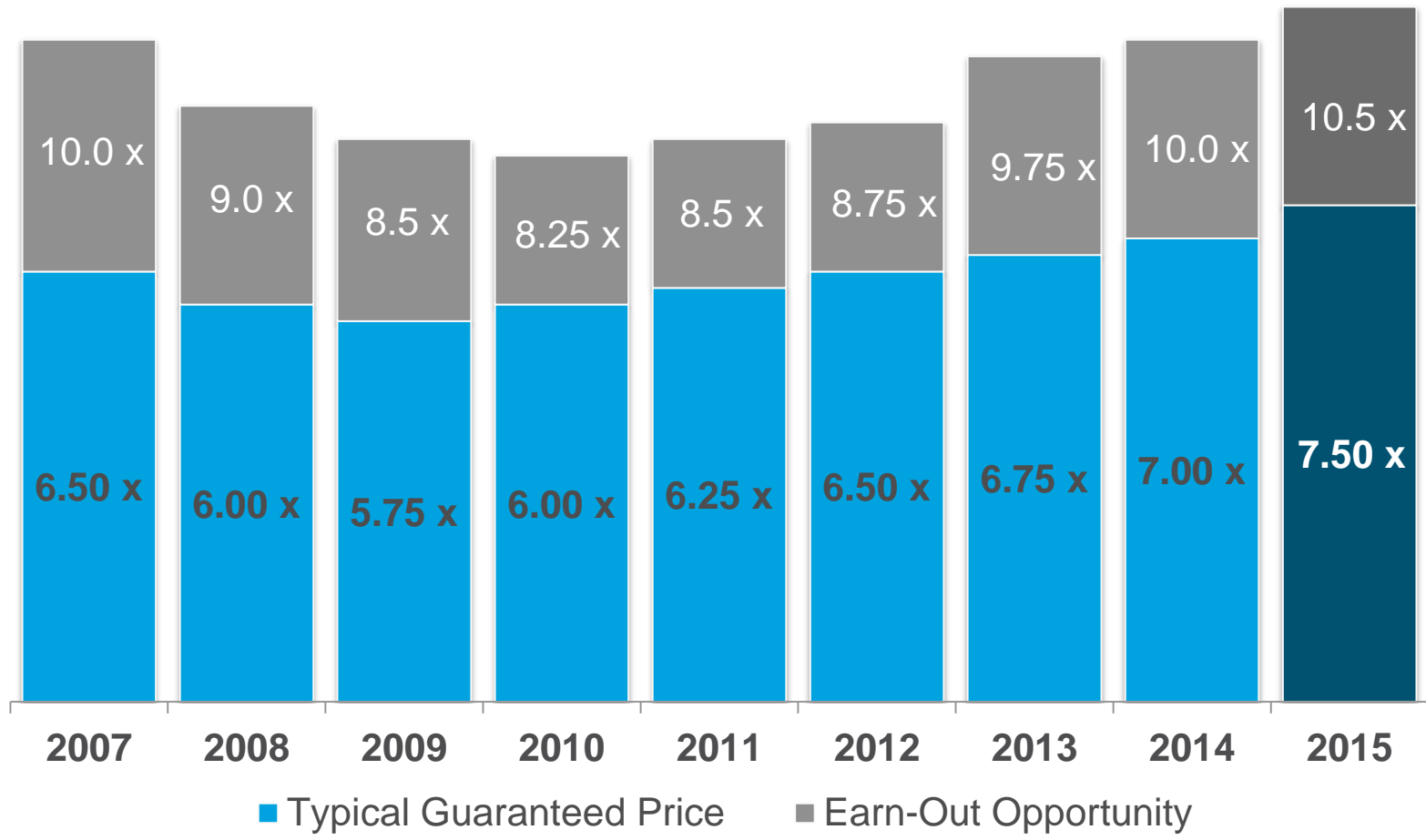
Source: SNL Financial

Who is Buying?



M&A Valuations (Multiples of EBITDA)

Deal Valuations (2007 – 2015)

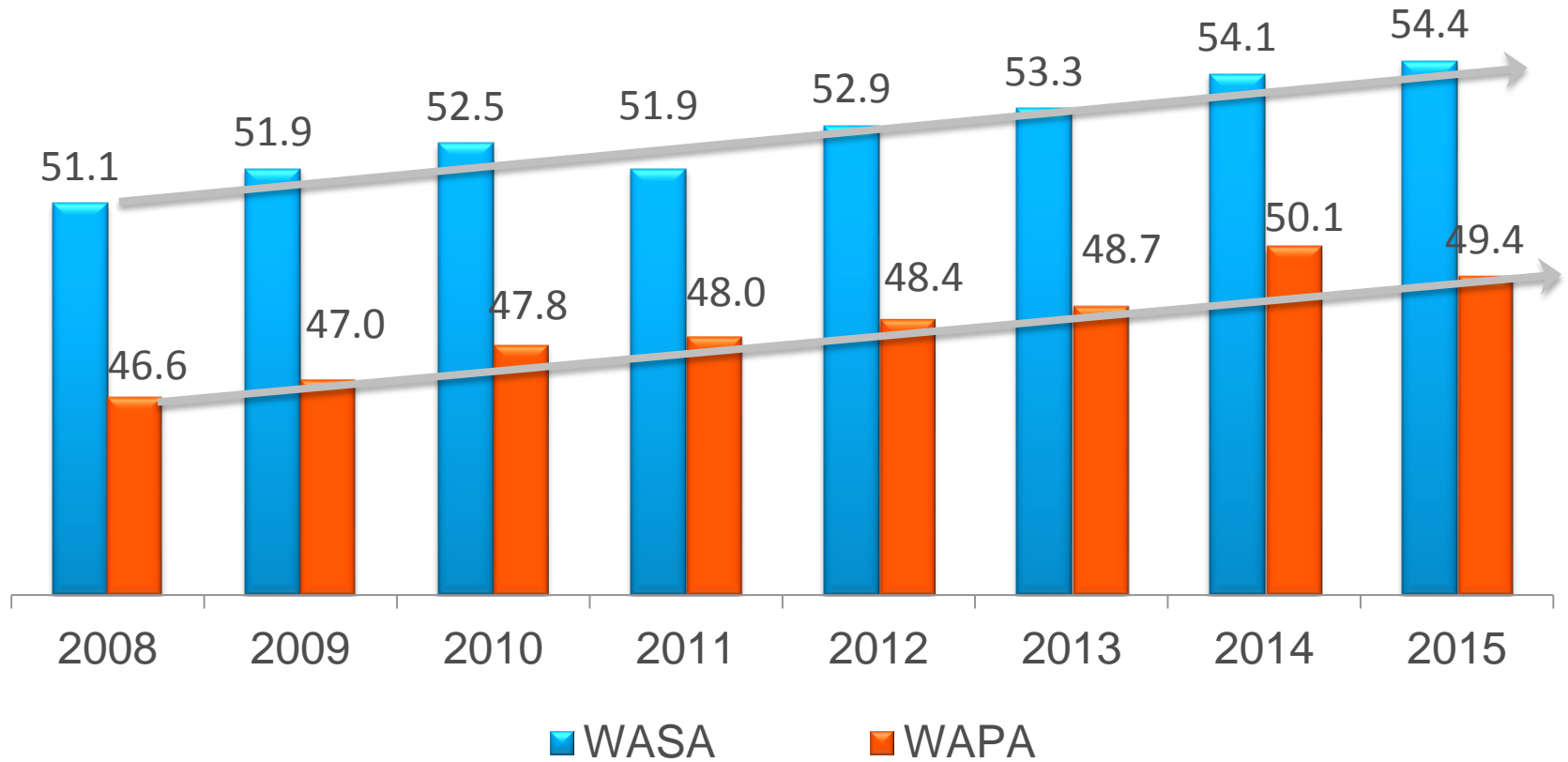


Good quality agents and brokers, \$3-\$10 million in revenue



Our Industry Is Aging

WASA and WAPA in the Last Six Years



Source: SNL Financial

Key Takeaways for Independent Agents

- Competing head-to-head with the national buyers for most acquisitions will be very difficult in 2016 – 2017.
- Independent agents and brokers cannot generally afford to pay the same values as the national buyers.
- A book-of-business acquisition strategy may prove to be more realistic for most independent agents (not easy, simply more realistic)
- Compete based on culture, not pricing
- Investing in an organic growth engine is a better growth strategy for now (hiring and developing producers)

Learn more!

Visit the Best Practices websites at:

Reagan Consulting - reaganconsulting.com/Research/Best-Practices *(under construction!)*

IIABA - <http://www.independentagent.com/Resources/Research/BestPractices>

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Join us for the next webinar in this series:

#3 - 2016 Best Practices Study Highlights - Sept. 21, 1-1:15 p.m. ET

Register at <https://attendee.gotowebinar.com/register/7411932500766593283>

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