



Turning a \$2.4M Annual Loss into a \$3M Sale

Industry: Specialty Services

Challenge: Unprofitable technology acquisition

Background

Client had acquired a competitive CRM platform with the vision of deepening customer relationships and solving sales challenges for their network. While the tool was strong from a product standpoint, it quickly ran into challenges:

Market Perception Issue

Client was not known as a technology company, making it difficult to gain traction with customers in their core market.

Internal Resistance

The sales team viewed the CRM as a distraction from Client's core offerings and did not actively support it.

Growth Stagnation

Without internal advocacy and brand alignment, the customer base did not expand.

The result: CRM business was **losing \$2.4 million annually**, with no clear path to profitability.

Engagement with Lighthouse

Client engaged **Lighthouse Value Partners** to evaluate strategic options for their CRM acquisition, reduce operating losses, and find a viable exit path.

Our process included:



Operational Triage

Scaled back expenses to reduce the burn rate from \$2.4M to \$1.4M annually.



Strategic Buyer Identification

Pinpointed a technology company in the industry with an existing CRM platform that could integrate Client's CRM to drive efficiencies.



Value Positioning

Framed the acquisition as an opportunity for the buyer to accelerate product development and expand market reach without starting from scratch.



Deal Structuring & Marketing

Designed and marketed the deal to maximize interest while incorporating safeguards for both buyer and seller.

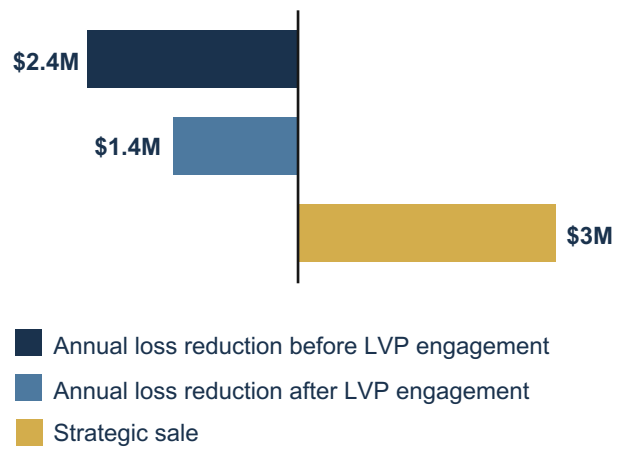


Transaction Execution

Managed negotiations and due diligence to secure an optimal outcome.

Results

- **Annual Loss Reduction:** \$2.4M → \$1.4M before sale.
- **Strategic Sale:** Sold CRM for **\$3 million** to a synergistic buyer.
- **Preserved Brand Focus:** Allowed Client to concentrate on core offerings without the drag of a misaligned technology business.
- **Value Creation from Decline:** Transformed a failing, loss-generating business into a **profitable exit**.



Impact Statement

Lighthouse Value Partners turned what was perceived as a costly misstep into a strategic win—proving that even in challenging acquisitions, the right combination of operational discipline, market insight, and buyer alignment can unlock substantial value.

Optimization Team

John Pappanastos
Managing Partner

Shields Legal Group
Governance and Legal