BVC

05

OPERATIONS

The First 100 Days

Your post-acquisition playbook — keeping employees, keeping customers, learning the machine, and earning the right to change things.

What's Inside

CHAPTER 1

The Prime Directive: Break Nothing

You just bought a machine that makes money. You do not fully understand how it works yet — the real machine is relationships, habits, and tribal knowledge that never appear in a data room. The first 100 days have one goal: keep the machine running while you learn it. Value creation comes later; value preservation comes first.

90%
of the price you paid was for what already works

2-3
key people could take most of that value out the door

100
days of stability earns you the right to change things

The classic new-owner failure is arriving with a transformation plan: new software, new pricing, new org chart, month one. Employees who were nervous become ex-employees. Customers who were loyal to a person, not a logo, drift to the competitor who hired that person. The machine you paid for dismantles itself while you present slides.

> PRO TIP
>
> **Say it out loud, repeatedly**
>
> The most valuable sentence of your first month: 'I bought this business because it works — I'm not here to change everything.' Say it day one. Say it in week three when someone asks about their job. Behavior will make it true or false; the words buy you time either way.

CHAPTER 2

Day 1: The Announcement

Employees will remember exactly how they found out. Get ahead of the rumor mill: the announcement happens on your terms, with the seller standing next to you, on day one — ideally morning, all hands.

1. **Seller speaks first**
   'I sold to someone I trust' from the founder is worth more than anything you can say. Script it together in advance.

2. **You: brief, warm, concrete**
   Who you are, why you bought THIS business, and the three words they need: jobs, pay, and daily work stay the same.

3. **Take questions, promise follow-ups**
   Answer what you can honestly. 'I don't know yet, and I'll tell you when I do' beats a confident guess you will retract.

4. **Same day: customer letter**
   Top customers get a personal call from the seller introducing you within 48 hours. Everyone else gets a jointly signed letter emphasizing continuity.

RED FLAG

The vacuum fills with fear

Every question you leave unanswered gets answered by the most anxious person in the room, at lunch, worse than reality. Over-communicate in week one: a brief all-hands Friday recap ('nothing is changing, here's what I learned this week, here's who I met') costs 15 minutes and starves the rumor mill.

CHAPTER 3

Weeks 1-2: People First

Before processes, before systems, before customers even: sit down with every employee individually. Thirty minutes each. You are doing three things: learning the real org chart, spotting flight risks, and making each person feel seen by the new owner.

- Ask: 'What should I absolutely not change?' (listen hard — this is the machine talking)
- Ask: 'What's broken that the previous owner wouldn't fix?' (free improvement list, pre-validated)
- Ask: 'What do you do that nobody else knows how to do?' (single-point-of-failure map)
- Identify the 2-3 people the business cannot run without
- Retention conversations with those 2-3 within week one — stay bonuses if warranted
- Note who employees actually go to with problems (the real org chart)
- Watch pay vs. market for key roles — underpaid key people are pre-resigned

REAL NUMBERS

Stay bonuses are cheap insurance

A $10K retention bonus for a key tech, paid half at 6 months and half at 12, costs 0.7% on a $1.5M deal. Replacing that tech — recruiting, training, lost jobs, unhappy customers — costs several times that. This is the best money you spend all quarter.

CHAPTER 4

Weeks 2-6: Learn the Machine

With the team stabilized, learn how the business actually works — which is never quite how the CIM said it works. Shadow every role. Take the customer calls. Ride along on jobs. Do the invoicing once yourself. You are building the mental model that every future decision depends on.

Learn the revenue side

- Meet top 10 customers in person within 30 days
- Learn why customers actually choose this business (ask them)
- Map where leads come from — verify against marketing spend
- Watch how quotes are built and priced
- Track win/loss on quotes for a month

Learn the cost side

- Sit with whoever pays the bills; watch a full AP cycle
- Meet the top 5 suppliers; confirm terms survive the sale
- Map labor: who does what, utilization, overtime patterns
- Inspect equipment with whoever maintains it
- List every subscription and contract auto-renewing

PRO TIP

Keep a 'later' list

You will spot twenty things to improve in week three. Write every one in a notebook titled LATER. The discipline is not having ideas — it is sequencing them after stability. In month four, that notebook becomes your value-creation plan, pre-researched.

CHAPTER 5

The Seller Transition

Your purchase agreement bought you a training period — typically 90 days. Most buyers waste it letting the seller hang around unstructured. Run it like a curriculum instead: the goal is extracting twenty years of undocumented knowledge in twelve weeks.

1. **Weeks 1-2: Shadow everything**
   Seller leads, you watch. Every customer interaction, every pricing decision, every vendor call. Record names, histories, unwritten deals.

2. **Weeks 3-6: Roles reverse**
   You lead, seller watches and corrects. This is where the gaps show — better now than after they leave.

3. **Weeks 7-10: Seller on-call only**
   They come in for specific handoffs: the tricky customer, the annual bid, the equipment quirk. You run the business.

4. **Weeks 11-12: Formal goodbye**
   Joint visits to top customers to transfer the relationship explicitly. Exit interview: 'what haven't I asked that I should have?'

WATCH OUT

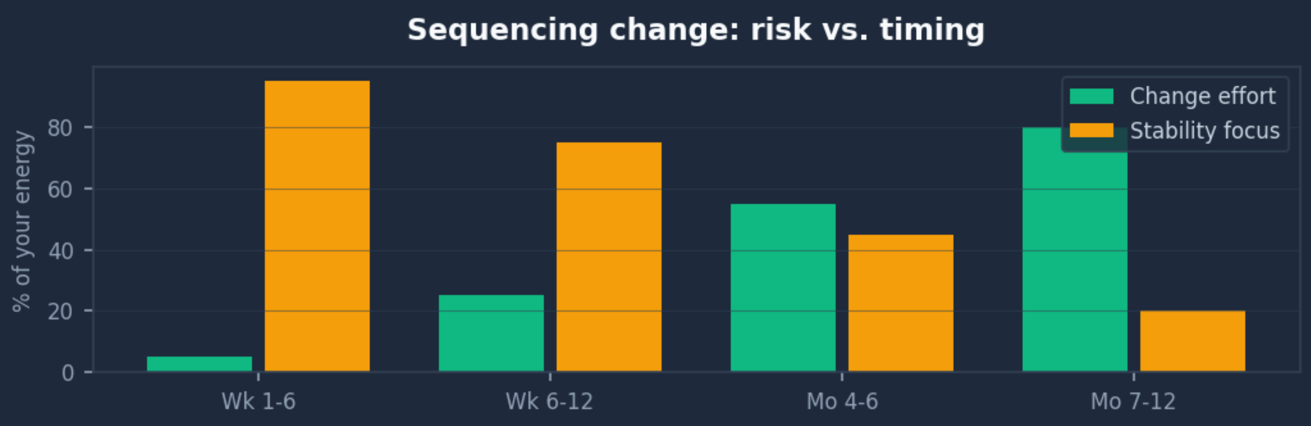
The seller who won't let go

Some sellers keep managing from the parking lot — countermanding you with employees, promising customers old pricing. Kind but firm, early: 'I need the team looking to me now. Let's route everything through our Tuesday sit-down.' If it persists, shorten the transition. Authority does not share well.

CHAPTER 6

Weeks 6-12: Earned Improvements

Around week six, you have standing to make changes — if they are the right kind. The right kind: visible, low-risk, and employee-sourced. Remember the 'what's broken that ownership wouldn't fix' answers from your one-on-ones? Fix two of those first. The team learns that the new owner listens and acts — credibility you will spend later on harder changes.



- Fix 2-3 employee-sourced annoyances (visible, fast, cheap)
- Standardize the one process causing the most rework
- Add a weekly 30-min leads/ops huddle if none exists
- Tighten quoting on the one service line with obviously stale pricing
- Hold: pricing overhauls, software migrations, org changes, rebrands — all LATER list

RED FLAG

The software trap

New owners love replacing the 'ancient' system in month two. That ancient system encodes hundreds of undocumented workflows. Migrate in month 8 with a stable team and full knowledge — not month 2 with a nervous one and half the picture.

CHAPTER 7

Cash & Controls

Install your financial cockpit in week one — not month three. You need three things immediately: sight of cash, control of outflows, and a weekly rhythm.

- [x] Bank accounts transferred; you are the only signer over a set limit
- [x] 13-week rolling cash flow forecast built and updated every Monday
- [x] Weekly scorecard: revenue, quotes out, jobs done, cash, AR over 45 days
- [x] AR collections owned by someone, with a weekly review — acquired businesses leak here
- [x] Payroll verified end-to-end before your first cycle runs
- [x] Loan covenants diarized (DSCR reporting your SBA lender expects)
- [x] Separate operating vs. tax/reserve accounts from day one

REAL NUMBERS

The 13-week habit

The 13-week cash forecast is the single control that most reliably keeps new owners out of trouble. It converts 'I think we're fine' into 'we dip to $18K the week of March 14 unless we collect the Hendricks invoice.' Fifteen minutes every Monday. Non-negotiable.

CHAPTER 8

The 100-Day Checklist

- [x] Day 1: joint announcement with seller; jobs/pay/work-unchanged message
- [x] 48 hrs: top customers personally called; continuity letter to the rest
- [x] Week 1: bank control, payroll verified, 13-week cash forecast live
- [x] Weeks 1-2: one-on-ones with every employee
- [x] Week 2: key people identified; retention handled
- [x] Weeks 2-4: shadow every role; meet top suppliers
- [x] Day 30: top-10 customers met in person
- [x] Weeks 3-6: seller transition curriculum running, roles reversing
- [x] Week 6: weekly scorecard rhythm established
- [x] Weeks 6-10: two employee-sourced fixes shipped
- [x] Weeks 11-12: joint customer handoffs; seller exit interview
- [x] Day 100: LATER list reviewed — value-creation plan drafted for months 4-12

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