

# Why They Cried: Deano

*by* Jim Hanas

**Cause: Ad agency sold to holding company at low multiple**

Financial advisors—and he had many—had advised Deano that the market for small, hip advertising boutiques—like the one he owned and was now selling—had been at an all-time peak six months ago, selling at mad cash prices, sometimes at eight or twelve times after-tax profit, but he had not listened. Not that he didn't think they were right. He knew that agencies were selling at a heretofore all-time high. What he did not believe was that this all-time high was a forever and permanent all-time high. He thought it would go higher and then again higher—to twelve, maybe even twenty times after-tax profit—in a dizzying succession of all new all-time highs. That is what he thought, but he was wrong.

When it came time to sell the agency—when the papers came for him to sign—it was a very bad deal. But he did not cry. This was business. He had gambled and he had lost. He signed the papers without a hint of regret and even pried open a case of champagne for his staff and offered a toast to the future.

It was not until much later, at a bar where he had stopped for a nightcap, that he was surprised by a mirror above a urinal and, catching a glimpse of himself and recognizing himself as a man who had just sold an ad agency at a really very poor multiple, that he choked back the first of many tears.

**Tomorrow: "Why They Cried: Jisette"**

