

Peter Alexander on how to sell your business with no regrets

Cara Waters

Published: March 8, 2016 - 7:53AM

Peter Alexander said there hasn't been a day when he wished he didn't sell his business.

Australia's pyjama king sold up for an undisclosed amount to the Just Group and continues to work as the creative director of the [Peter Alexander sleepwear business](#).

"People say to me 'aren't you upset you could run this company that turns over \$150 million a year, it could be yours', Alexander said. "But that's just not true, I could never have done that. That was all the Just Group creating that brand and doing that."

An acrimonious split

For many entrepreneurs selling their business is the end goal but making a smooth exit can be more difficult than it seems.

Fashion designer Alannah Hill [split acrimoniously with her business partner Factory X](#) and now has nothing to do with the iconic Alannah Hill brand she started 20 years ago.

"Leaving my brand was not my ideal outcome ... I never imagined this would happen," Hill said at the time. "I thought I'd be there forever."

Hill has gone on to start a new label, Louise Love, which is [currently on hold as she battles cancer](#).

"I knew I wanted to keep designing and making beautiful clothes, but I wanted to do it in a way that comes naturally to me – and that is boutique style, not so many stores, not so many designs, and not produced to the scale that Factory X were determined to embrace," she said.

Know what you're good at

When Alexander sold Peter Alexander to the Just Group it was making \$6 million per year and growing by 40 per cent each year but Alexander said the success of the business was too much for him to handle.

Alexander said the speed of growth of Peter Alexander meant he kept on having to borrow more and more money and get more heavily into debt to fund the growth.

"I know what I'm good at and what I'm bad at," Alexander said. "What I'm bad at is managing the business and handling the stress of that. I was sort of freaking out."

The crunch time came when Peter Alexander sent out its mail order catalogues. The catalogues were sent first to customers in NSW who ordered 95 per cent of the stock. The catalogues had

already been posted to Victoria but hadn't arrived yet and so Victorian customers missed out on buying.

"Customers were so angry with me," Alexander said. "I thought 'Oh god I'm damaging my own brand'. That's when I realised it's time to get a partner who can help me handle what I'm not great at."

Alexander saw an article saying that Just Group was looking to buy new brands and so sent a letter expressing interest.

"My mum and I were so excited," Alexander said.

The Just Group negotiated to buy Peter Alexander in a deal which involved Alexander staying on for five years.

"Everyone said to me 'You've got to like the offer you've got because chances are you will be there a year'," Alexander said. "When people sell their business they find it hard to go from being the big boss to having a boss. I thought 'Well if I last a year I'm happy with the money I've got.'"

15 years later and Alexander is still there.

"It's been a great run," Alexander said. "They have been very respectful of what I'm good and what I'm bad at. They've been very protective of the brand."

Emotionally traumatic

Geoff Green, author of *The Smart Business Exit*, said it can be particularly difficult to sell a business when your name is on the door.

"Most people who have built a great business have a really strong attachment to what they've built," he said. "It can be emotionally quite traumatic for business owners."

Green said when entrepreneurs look to sell their business they need to understand that attachment and think about finding a buyer who will look after the business in a way they are comfortable with.

If the terms of sale include staying in the business for a period of time Green said this can be difficult.

"A lot of people selling their business need to get their heads around what it can be like working for someone else," he said. "If you are likely to be in the business for some time going forward the relationship between buyer and seller is really important."

Follow MySmallBusiness on [Twitter](#), [Facebook](#) and [LinkedIn](#).

This story was found at: <http://www.smh.com.au/small-business/entrepreneur/peter-alexander-on-how-to-sell-your-business-with-no-regrets-20160307-gncg8b.html>