

If the company has been in business since 1979 and only has revenues of 800k, what have they been doing for the last thirty years?

For its first few years TSI earned its income from consulting and custom programming for mid-range IBM systems. This was interesting but not very lucrative. For most of the eighties TSI devoted its attention to marketing the software system it developed for advertising agencies. As the decade closed, it became apparent that a small unconnected company like TSI would struggle in the competition for ad agency accounts.

In 1989 TSI installed the first version of AdDept at Macy's East. Over the years the system has been greatly expanded to meet the needs of large retail advertisers. Convincing them that it was possible to design and implement a comprehensive administrative system was difficult. No one had ever done it. Eventually, however, a fairly large group of users emerged.

A*N was implemented in 2002. The revenue from this service has increased monotonically thereafter.

From the company's first days the owners have set TSI's direction toward dependable profitability and strong long-term relationships with its clients. The company has successfully avoided going into debt to finance the new ventures that are a necessary fact of life for software companies.

If two owners are splitting \$470k of discretionary cash flow and they both plan on leaving after the sale, what is do they claim their individual job responsibilities are?

The president makes sure that all administrative tasks, including billing and accounting, are accomplished. He also manages the marketing of both the A*N service and the AdDept software product and does on-site training and consulting. The VP of Application Development manages all programming (including a good deal that she does personally) and support activities. She also is in charge of payroll and the 401(k).

Do they believe that one person is capable of doing what the two of them are current doing ?

The tasks currently handled by the president, VP of Application Development, and the administrative person could conceivably be handled by only two people, but it might be difficult to rearrange the responsibilities to do so.

If not, are there any current employees that can be groomed to take over some of the responsibilities so the new owner can do the balance and also build the company to it's true potential. ?

The A*N system is not too complicated and is rather easy to manage. AdDept is much more complicated. The current employees have much less experience in the technical areas of programming, in dealing with the clients, and in the subject matter of retail advertising. The lead programmer is certainly capable of learning enough to take on much more responsibility, but it will take some time.