INDEPENDENCE

We've Been Asked Why We Haven't Sold

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A perspective from Systech International

It comes up more than people might expect. After 35 years building this business, a fair question we get, from clients, from people thinking about joining us, sometimes just over dinner, is some version of: with consolidation reshaping the sector, and PE money everywhere, why hasn't Systech sold?

We've thought about it properly, not dismissed it. **Here's the honest answer.**

WHY BUSINESSES LIKE OURS USUALLY SELL

We're not naive about why private consultancies take PE money. The reasons are real:

- **Liquidity.** Equity in a private firm is illiquid. For many founders, a PE sale is the only realistic way to convert decades of work into cash without waiting on a slow internal buyout.
- **Succession funding gaps.** Not every partnership has a strong enough next generation ready, or able, to fund buying out the departing one. PE solves that in a single transaction.
- **Capital for speed.** If the plan is to roll up competitors or build new capability fast, outside capital gets there quicker than retained earnings ever could.
- **Personal risk.** Founders often have most of their net worth tied up in one business. Selling a stake, even while rolling equity forward, spreads that risk.

> THE DRIVERS
> Every one of those is a legitimate reason. None of them is our situation.

WHAT'S ACTUALLY TRUE FOR US

- **We don't need the money.** Thirty-five years of running this properly means the liquidity problem PE solves for other firms simply isn't a problem we have.

- **There's no succession funding gap to plug.** We're not looking for an exit route, because nobody here is trying to exit.
- **We're in good health, and we still enjoy the work.** That matters more than it sounds. The entire PE model is built on the assumption that owners eventually want out. We don't.

So when you strip away every driver that normally pushes a firm like ours toward a sale, what's left on the other side of the ledger is just one thing: **the fear of being outgrown or outspent by PE-backed competitors.** That's a real pressure, one we've written about elsewhere in this series, but it's a reason to invest in staying sharp, not a reason to hand over control.

WHAT SELLING WOULD ACTUALLY COST US

Taking PE money isn't free, even when it looks like the modern thing to do. It means:

- **An exit clock.** Someone else's five-to-seven-year timetable starts dictating decisions that used to be made on their own merits.
- **A return hurdle** standing between our people's effort and their reward: the same mechanic we've written about that leaves plenty of talented people with far less than they expected when the fund's numbers don't land.
- **Fee pressure.** Debt service and investor returns tend to show up in client invoices sooner or later, whatever the deal deck says at signing.
- **Governance answering to a different audience.** Decisions start getting made for the market, or for the fund, rather than for the client in the room.

> THE LEDGER
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> We'd be taking on every one of those, for capital and liquidity we don't need. That's not a trade. It's just a cost.

THE HONEST ANSWER

We haven't sold because there's nothing broken that a sale would fix, and nothing we're chasing that a sale would get us faster. What we do want, staying independent, staying AI-enabled, keeping reward tied to real performance, keeping client relationships free of an investor's timetable, is exactly what selling would put at risk, not what it would deliver.

That's not a promise we'll never revisit. It's where we stand today, for reasons that are actually true, not just reasons that sound good on LinkedIn.

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