



NEWSLETTER



The "Secret Sauce" of Niche Manufacturing Value

In niche manufacturing, we often focus on the "big wins" that massive new contract or the custom-engineered part that no one else can make. While those one-off projects are great for the bottom line, they don't always move the needle when it comes to the Value of your business.

Why? Because buyers in 2026 are obsessed with predictability.

If a buyer looks at your business and sees that you have to "kill what you eat" every single month to hit your numbers, they see risk. But if they see recurring revenue, they see a guaranteed future.

The "Valuation Jump"

Niche manufacturers with strong recurring revenue models often command 2-3x higher multiples than those relying solely on one-off sales.

3 Ways to Build "Recurring" into Your Shop:

- 1. Service & Maintenance Contracts: If you manufacture complex machinery, don't just sell the unit. Sell the uptime. Annual service agreements turn a one-time customer into a multi-year partner.
- 2. Sunk-Money Consumables: Think "razor and blade." If your custom machine requires specialized parts, filters, or lubricants that only you provide, you've built a "revenue lock" that buyers love.
- 3. Replenishment Agreements: Move from "Call us when you need more" to "We will ship 5,000 units on the first of every month." These hard contracts are the gold standard for stability.



The Wright Perspective

At Wright Business Advisors, we've seen small tweaks to a revenue model add millions to a final sale price. Whether you are planning to exit in 2026 or five years from now, building recurring revenue is the single most effective way to secure your legacy.



Is your revenue model working for you or against you? As part of our 2026 Clarity Kickstart, we are offering a limited number of In-Depth Business Valuations at a special New Year rate. Let's find the hidden value in your operation.

To your success, The Wright Business Advisors Team "The Wright Way to Transition Your Business"

