

## Why Agencies Should Begin the Selling Process Now

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By Roy Page

### Executive Summary

For owners of mid-sized marketing and communications (marcom) firms, the decision to sell often hinges on timing. While no seller wants to feel rushed into a transaction, waiting too long can erode value or limit options. Current market conditions suggest that beginning the selling process sooner rather than later is in the seller's best interest.

The latest Firmex Forecast for Q2 2025 highlights improving deal success rates, stabilizing and rising valuations, and growing advisor optimism. Yet, it also emphasizes that deal timelines remain extended—making early preparation essential. TobinLeff is experiencing more inbound interest and conversations than we saw in the first quarter of 2025, validating the findings of the Firmex report from our own experiences and deal flows.

Taken together, the market is signaling that now is an opportune window for marcom firm owners to engage in the selling process, even if they aren't fully ready to transact tomorrow.

### The Case for Acting Now

#### 1. Deals Take Longer Than Expected

Even in a rising market, buyers are more deliberate. The Firmex survey found that 58% of advisors report deals are still taking longer than usual to close, despite improving success rates. For sellers, this means the clock to exit is already extended—waiting to start only compounds the delay.

#### 2. Valuations Are Increasing

Valuations have recovered from the lows of late 2024. More advisors now report above-average deal values (23%) than below average (21%), a reversal from just a few months earlier. With demand outpacing supply in certain categories, marcom firms with differentiated capabilities are well-positioned to command premium multiples.

**3. Cash Is Flowing Into Deals**

Private equity and strategic buyers remain flush with “dry powder”—an estimated trillion dollars in available capital is waiting to be deployed. This capital creates a competitive environment for attractive assets, particularly for firms with growth potential in digital, PR, and sector-focused marketing.

**4. Inbound Buyer Interest Is Rising**

While buyer participation is reported as “average” overall, advisors see momentum building. Nearly 40% expect above-average buyer activity in the coming months. For niche marcom firms, this demand is translating into more outreach from strategic and financial buyers seeking bolt-on acquisitions.

We believe this momentum is further validated by the record number of buy-side engagements that we are experiencing in 2025—surpassing levels seen in prior years.

## **Market Positives for Sellers**

- Deal volume is rising: North American transactions are projected to increase 7% in Q2.
- Advisors are optimistic: 50% expect above-average volume in the next six months.
- Closing success rates are improving: Share of advisors with above-average close rates nearly tripled since late 2024.
- Valuations are trending upward: More deals are being valued at or above averages, with buyer competition pushing multiples higher.
- Capital availability: Significant levels of private equity and corporate cash reserves are earmarked for acquisitions.
- Growing inbound activity: Sellers are seeing more conversations initiated by buyers (as also validated by TobinLeff’s experience).

## **Balancing Optimism With Reality**

While the environment is favorable, sellers should remain mindful of headwinds:

- Extended timelines – most deals still take longer than historic norms.
- Selective buyers – investors remain disciplined and scrutinize firms’ growth prospects, client concentration, and scalability.
- Policy uncertainty – potential U.S. tariffs and shifting regulatory priorities could introduce volatility.
- Activity normalization – both buyer and seller numbers have settled into “average” ranges, suggesting that competition will remain balanced rather than overheated.

## Conclusion

For mid-sized marcom firm owners, waiting for a “perfect moment” to sell risks missing the current upswing. With valuations rising, buyers flush with capital, and inbound inquiries on the rise, the prudent move is to begin preparing now.

Even if a transaction is not imminent, initiating the process—organizing financials, refining growth narratives, and engaging with advisors—positions sellers to capture value while conditions remain favorable. The market rewards readiness, and in today’s environment, early movers are the most likely to benefit.



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## About TobinLeff, LLC

TobinLeff is a leading M&A advisory and exit planning consulting firm, helping owners sell to strategic buyers and private equity groups. With 15 years of service, TobinLeff’s team of senior advisors brings a wealth of Mergers & Acquisitions experience as former business owners, accountants, attorneys, and bankers dedicated to the mission of helping their clients maximize and monetize their life’s work. TobinLeff is the go-to resource for business owners looking for true partners in their exit planning journey. [TobinLeff.com](https://tobinleff.com)