



M&A Advisor

So Many Questions... So Little Time...

Maximizing Value: The Role of the M&A Advisor

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Business owners who try to sell their companies on their own will miss a number of prospective buyers and make some very costly mistakes, which the right M&A advisor can help to avoid.

Price may not be the only consideration when selling your business. Most owners also have personal goals related to a transaction that can be at least as important as money – for example, the desire to stay on after Closing, earn-outs, family or shareholder dynamics, concern for the management team, etc. Advisors understand these factors and can help direct the process to align them with your valuation goals.

When it's finally time to move ahead with the sales process, your advisor is instrumental in preparing key materials, marketing the company, and managing the myriad logistics of the transaction.

Preparation of Marketing Materials –

Your advisor will prepare a comprehensive Confidential Information Memorandum (CIM) and adjusted financial statements for prospective buyers who express interest in learning more about your company. The CIM will help buyers determine their interest and decide if they want to move ahead in the process and meet with you and your management team.

Building a Buyer List –

Your advisor's transaction experience and expertise are key to building a buyer prospect list that will not only attract the highest offers, but will also address your non-financial goals. A qualified advisor can target the best and most-likely buyers for your business from among the thousands of financial and strategic buyers that may potentially be interested.

Going to Market –

Your advisor will reach out on a no-names basis to prospects to gauge their level of interest. This stage of the process is often broken down into several waves, initially reaching out to strategics and other buyers in the top tier of the buyer list. Those interested in learning more about your business will sign a Confidentiality Agreement and will then receive a copy of the CIM.

Narrowing it Down –

As various prospects affirm their interest or withdraw, your advisor will help you navigate the process of narrowing down buyer candidates and meeting with those

prospects who submit an LOI (letter of Intent) – non-binding letters confirming a buyer’s intent to purchase the company. LOIs will include an offering price or range, transaction structure and other key terms, including a timeframe for closing.

Your advisor will also help you evaluate and negotiate the important terms in the LOIs – ideally by leveraging bidders against one another for the best price and the best terms. You select the winning bidder and counter-sign the LOI. Your advisor is responsible for ensuring a seamless due diligence process, working with you and the attorneys to prepare the Purchase Agreement and close the transaction.

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