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An expert's top 10 tips for getting acquired



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Since mergers and acquisitions have been making a big comeback in the past couple of years, we thought it might be a great time to gain a few insights on how we might set up our businesses to be acquired.

So we sat down with one of the country's most forward-thinking M&A experts, David Braun, who is the CEO of **Capstone Strategic** and author of the popular book, **Successful Acquisitions: A Proven Plan for Strategic Growth**.

As Mr. Braun explained, it is the midmarket firms who are being most affected by this uptick in transactions and activity. For the

record, midmarket companies are loosely defined as being between \$25 to 500 million in annual revenue. Although it is no surprise that a great deal of the activity is in the healthcare industry, followed by technology, energy/oil and gas, it does not mean that your business is not a viable option for a sale.

To give everyone a solid overview, we've asked Mr. Braun to put together a list of "Top Ten Tips for Selling Your Business" - no matter what size the business.

Please read on for some very astute insights:

How to Get Acquired: Top 10 Tips for Selling Your Business

1. Plan – Start planning early on! It may take some time to prepare your business for sale. Spending time on preparation will help ensure you sell to the right buyer.
2. Know What You Want – Determine what you really want from an acquisition. Why are you selling? What kind of home do you want for your business? What type of buyer do you have in mind? What is your ideal outcome? Think about these important questions before you start hunting for a buyer.
3. Use Criteria – Create criteria so you can assess potential buyers in a systematic, objective manner. The acquisition process is often emotional and many become fraught with indecision and uncertainties. Using objective criteria to guide your decision making will give you the confidence you need to “pull the trigger.”
4. Understand Your Business Value – Why should someone buy your business? Know your company's value add and communicate this message clearly with potential buyers.
5. Financial – Get your books in order. Have audited financial statements ready before you look for a buyer.
6. Tax and Legal – Understand the tax and legal implications of selling your business.
7. People – Make sure others can take care of your business should you leave. While you may offer to stay at the business for a while after the deal closes, most buyers know you won't stay forever. Succession planning should begin before you sell.
8. Liabilities – Fix liabilities before approaching a buyer. If you can't fix them, identify them to the potential buyer early on. Buyers will eventually discover hidden liabilities, so it's best to reveal any risks up front rather than try to hide them.
9. Advisors – You may want to engaged the services of a third party advisor. An experienced advisor can help identify your ideal buyer and help prepare your business for selling. During negotiations, having an experienced advisor by your side will ensure you and the buyer reach a favorable agreement.
10. Be realistic – Make sure you have realistic expectations about selling when it comes to price.

