Making yourself irresistible for M&A
7 tips to get you ready to sell your business
So, you’ve decided it’s time to sell...

You’re a private business owner who has decided that the time is right to partially or fully transition out.

Whether it’s to bring in a partner to take your business to the next level or to realise fully on your time and investment so far ...

... there is really only one more “big” question to answer ...
Are you ready?

The intention to do something and believing the time is right are no guarantees of a successful outcome. Careful thought and planning is vital if you want to succeed.

In the case of selling your business, you also have to make your company *irresistible* to prospective acquirers – a value proposition that is extremely attractive.

Easier said than done.

However these seven tips can help you to achieve the very best outcome.
Getting clarity on what is most important to you to achieve from a potential transaction is paramount. Being **irresistible** is one thing, but it doesn’t mean you should want just anybody to buy under any terms.

- Are you trying to maximise value?
- Preserve family legacy?
- Maintain the corporate culture?
- Is timing important?
- Do you want to retain involvement or a share of ownership following a transaction?

If you can answer questions like these clearly then you will already be facing in the right direction.
2. Think about you, and the team around you

If you’re the critical link in your business, it’s time to reduce the company’s dependence on you.

Investors or buyers must be confident the business can continue to succeed in your absence.

So, step back and make sure you have experienced management in place that can assume responsibility for key business functions and relationships. That will only enhance the company’s attractiveness.

It is clearly in your best interest to . . .
3. Put your best foot forward

Being able to produce high-quality, accurate, timely financial information is vital to a smooth transaction.

Ensure your team routinely tracks monthly results to forecasts and explains variances. Get your team in the habit of doing this now.

Similarly, a strong Finance Director and the right reporting systems and technologies in place will greatly improve financial management and better entice investors or buyers as they gain confidence in your company’s performance.

Meanwhile, do your best to . . .
4. Articulate your story clearly

Buyers will put considerable effort into analysing the historical performance of your business. But equal effort will be spent looking to, and understanding the plan for the future.

The story, and how you tell it, is powerful. Your successes and your failures show the complete picture of where you started, how you got to where you are, and where you’re going.

That also involves talking about (and running) the business with a focus on the value propositions that set you apart and drive your success, that almost certainly has been influenced by the help of various employees, advisors, customers, etc.

and remembering . . .
5. Preparing for a transaction can absorb your time

To whatever extent possible, it’s wise to try to minimise adverse impacts on front-line employees and external resources, including key clients.

Respect and reputation can be hard to win, but are frequently easy to lose.

Consider the need for the additional resource particularly in the finance function in the form of employees or advisors to increase your chances of experiencing a smooth ride.

Now for a difficult one, you must . . .
6. Be realistic

Understanding the business’s value drivers, industry benchmarks, and key economic and market trends will give you a sense of what you can reasonably expect before the process begins.

Just remember: many factors that impact your company’s value are beyond your control. You have to know what they are and be prepared to frame your business in that context.

To that end . . .
M&A transactions are complex, time-consuming, and often highly emotional once-in-a-lifetime events that can distract management from keeping the business on target.

An experienced M&A advisor can help you prepare your business, identify suitable investors or purchasers, navigate issues, manage the process, and ultimately support you to achieve your optimal outcome.

Speaking with a specialised tax advisor early is a good idea. Upfront identification and management of potential tax issues will help you to make the most out of any transaction - both personally and for the business.

Because, ultimately, what you want to do is . . .
Make the absolute most of it

When you’re finally ready to transition, you’ll want to be confident everything is prepared to proceed as smoothly as possible.

Otherwise you risk additional disruption to your business and a disappointing outcome.

However, if you’ve made the company irresistible, the rest should take care of itself.

So, what do you think?
Are you ready?
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