

Selling Your Business The Process from Start to Finish

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Presented By:



Presenters

Moderator



Cory Van Deusen
Partner
Lumsden McCormick



William P. Allen
Partner
Brisbane Consulting Group



Adam R. Harris
Senior Associate
Paramax



Cheryl A. Jankowski
Partner
Lumsden McCormick



Christian M. Lovelace
Partner
Lippes Mathias LLP



Polling Question 1

1. I am?

- a. Interested in selling my business.
- b. Looking to buy a business and run it.
- c. Looking to invest in a business.
- d. Here to network and learn.



Decision to Sell



Polling Question 2

2. Is inflation impacting your decision to either sell or buy a business?

- a. Yes.
- b. No.



Managing Expectations, Preliminary Diligence, and Buyer's Due Diligence

Managing Expectations

- Preliminary financial due diligence
- Industry and economic outlook
- Adjusted Discretionary Sustainable EBITDA
- What does a full process look like

Preliminary Process Phases

- Building of Offering Materials & Buyers' List
- Out-to-market and initial buyer discussions
- Positioning and preliminary negotiations
- Management Presentations

Buyer's Due Diligence

- How long does it take and obligation of seller
- Diligence Request Lists
- Buyer's Quality of Earnings ("QoE")



Polling Question 3

3. What part of the buy/sell most concerns you as a business owner?

- a. Purchase Price.
- b. Cash flow after the sale/purchase.
- c. Tax exposure.
- d. Remorse.



Transaction Phase

- Letter of Intent to Definitive Purchase Agreement to Closing (Staggered vs. Simultaneous)
- Diligence period continues and becomes more in depth and the importance of sale side diligence review
- Ongoing negotiations will continue post LOI
- Purchase Price Adjustments (Working Capital)
- Transitional agreements and Consultant/Employment role for Seller
- Representations, Warranties, Indemnity and Survival – Risk Allocation



Post Closing Issues

I thought I was done?

- Final working capital computation
- Possible Earnout

What do I do with the sale proceeds?

- Asset allocation/diversification
- Tax diversification
- You will need a plan



Polling Question 4

4. What stage of the M&A Process would you like to learn more about at future events?

- Decision to buy/sell?
- Due diligence.
- Transaction phase.
- Post-close.



Questions?



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