

Selling Your Business Using an Intermediary

So what if you've never sold a business before? Who better to lead the sale process than you, the owner who knows far more about the business than anyone else?

Before you answer, pause for a moment to consider the possibility that you might just be the worst possible person to sell your company.

Why?

As the one most emotionally attached to your business, you will likely find it difficult (if not impossible) to negotiate with a prospective buyer in a detached, effective manner.

In the mid-market range, most buyers are experienced and skilled in buying companies like yours. They understand that all deals travel rough and shark-infested waters because they are the sharks! Their favorite meal is the owner sailing the sale waters alone.

Further, at some point, all sales negotiations become intense. It is the job of experienced transaction professionals to shield you from those inevitable lulls and storms.

Let's assume you will have no problem taking on the navigation of the rough waters of the typical sale process. Can you do so while simultaneously doing everything necessary to keep your business running at full steam?

If there was ever a time to stay focused on your company, the negotiation period, which often six months or more, is it. Any drop in company productivity, sales, or income is like blood in the water and will be subject to the buyer's scrutiny and has the potential to scuttle even the best deal.

Also consider that post-close, you may have to work with the buyer as an employee. For that reason, many sellers understand that it may be in their long-term interest to assume a less visible (and

thus less adversarial) role during the sale process.

Consider that if you allow your transaction advisor to take the lead in the negotiations, you are better positioned to remain detached from, yet in control of, the process. For example, if your lead advisor reaches an impasse with the buyer's representatives, you can insert yourself, at the appropriate time, to break a deadlock. This is precious capital that you cannot afford to squander by being in the thick of the fray day in and day out.

As transaction advisors are quick to point out, they should bring value to the sale process. They argue that you should receive more money on better terms when they organize and conduct negotiations.

You may find the assistance of a good transaction intermediary to be valuable in:

- Assessing the marketability of your company,
- Accurately pricing and valuing your company,
- Locating qualified buyers,
- Conducting a competitive auction, and
- Negotiating and closing the deal.

For all of these reasons, put your energy into selecting the best possible crew: an Advisor Team (including a transaction intermediary) that has navigated these waters many times.

For more information or to learn how L. Harris Partners can help you plan your exit:



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