

Check these 5 Boxes Before Choosing an M&A Advisor to Sell Your Company

The 2022 outlook for deal activity is robust and sellers are expected to hold the advantage – as long as they have a skilled M&A team leading the way.

By Robert Murphy, Senior Managing Director

Engaging an effective Mergers & Acquisition (M&A) advisor to sell your company is critical to a successful outcome. Even the fastest-growing companies in high-demand industries require an adept deal team to ensure shareholders receive the value and terms they deserve.

The right M&A advisor can also generate fresh ideas and identify unique opportunities, as well as navigate to a timely close, while the wrong advisor could lead you astray – or merely let your deal languish when larger deals draw away their attention.

What should a business owner consider in selecting an M&A advisor? Here are five key criteria to use when evaluating potential advisors:

- 1. Overall Comfort Level.** First and foremost, choose a firm that conveys professionalism, trustworthiness and communicates straightforwardly. From the outset, you should feel a sense of confidence that the M&A team will always put your best interest first and give you honest advice.
- 2. Vast Deal Experience.** Since every merger and acquisition transaction is different, there's no substitute for experience in this industry. Choose a team that has closed many transactions (in excess of 100) to ensure they possess deep knowledge of all the intricacies involved in closing successful deals.
- 3. Without Thorough Preparation, There Is Only Hope.** Surprises and deal delays hurt values and kill deals. The right firm will have a clearly defined process and expertise to fully prepare you and your company before going to market. Diligent preparation is essential for increasing certainty to close and for maximizing value.
- 4. Robust, Global Marketing.** Is the M&A firm willing to, and capable of, contacting all qualified buyers and not just a small group? Also, your business could be attractive to overseas buyers. That's why engaging an M&A firm with international reach and cross-border transaction experience is a key advantage. In almost all cases, contacting more buyers results in more offers and opportunities, which increases certainty to close and maximizes value.
- 5. Passion for Working with Companies of Your Size.** Be sure the M&A team you select is committed to closing deals in your size range. Some firms will take on smaller deals but shift their energies to larger deals as they come in. Your deal should be meaningful to the firm, and you should be sure the team will be "all-in" for getting it done.

You may be wondering: "What about industry specialization? Don't I need an advisor who focuses on my industry?" There's a good reason why industry expertise is not among these five advisor "must-haves." It's because technology has leveled the playing field.

In fact, buyer contact information and transaction data across all industries are readily available today, making industry specialists in most sectors not a driving factor in selecting the right firm. An M&A firm that has invested in multiple data sources can offer insights into realistic value expectations and target buyers, as well as provide the full-range M&A guidance to clients in virtually any industry.

If you're thinking of selling your business, contact us for a preliminary conversation as to your company's readiness for market or for a Free Value Assessment.

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