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How To Sell Your Company – A Few Pointers

Here are some of the essentials when one begins the process of selling:

- You must have a topnotch written description about your company, its products, services, markets, competition, sales and selling approaches, management, employees, locations, differentiators, technologies, facilities, historical financial statements and financial summaries in a style and format that busy sophisticated acquirers prefer to see. Present your company well. It's an important sale.
- You must market your company broadly and aggressively to both financial buyers and strategic buyers. Approach companies in similar markets, companies in adjacent markets, companies with same or similar customer sets but different products or services, or same products but in different markets or distribution channels. Usually avoid direct competitors. Approach financial buyers who have related company platforms, who target your industry or business type, who target your company's size or other characteristics and who have capital to deploy. Your objective is to generate multiple offers or proposals all in the same time window.
- You should select a strong team of advisors to assist you during the process. Choose a professional intermediary firm that is experienced, one that is successful at closing and one that really knows what they are doing. You also should be able to relate personally with that intermediary. Choose an attorney to represent you who specializes in merger and acquisition deal structures and transactions. Your attorney should not only be able to uncover issues but should be focused on finding a way to favorably close the deal for you.
- You must know the range of value for your company. The starting point is to understand the enterprise value. The enterprise value is normally a multiple of earnings or EBITDA. Include add-backs. That multiple is usually consistent with your company's industry or type of company. Enterprise value reflects the earning power of your company. From enterprise value, you subtract the value of the company's funded debt to arrive at what the shareholders would receive in a sale. Clearly each company is unique and possesses many variables, both issues and strengths that impact its value. As a seller, it is important for you to highlight those features that positively impact value.
- You should keep confidential the fact that your company is for sale. Sometimes a company for sale causes uncertainty in the minds of employees, suppliers and

customers that could, in turn, cause them to depart, thereby losing value for your company. An attempt to explain the sale in advance to them may often sound defensive or negative.

Let EquiCap Partners help. Please call us. We would be happy to discuss your company's sale or merely answer questions for you whether we work together or not. Call now.

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