



WHY YOU SHOULD HIRE AN EXPERIENCED M&A ADVISOR TO SELL YOUR BUSINESS

Selling a Business is Hard – Without a Mergers & Acquisitions Advisor, It's Even Harder

Nothing is simple when it comes to business. Startup, growth, and management all come with a whole slew of complexities. Exiting the business is no different. No matter the size of the organization, every business owner should at least have a valuation performed before going to market. For larger companies, a specific set of expertise and tools are required to value, list, and navigate the transaction.

The bigger the company gets, the more complex its financials are to decipher. While public companies are required to adhere to a certain set of accounting and reporting requirements, the same is not true for those privately-owned. Even though most larger businesses will follow some form of GAAP, many still contain quirks that require an expert eye. This is especially true for companies that fall into the Mergers & Acquisitions (M&A) category with a value over \$1 million.

The Main Reason - Don't Leave Money on the Table

If you read nothing else, read this: if you don't hire an experienced Mergers & Acquisitions Advisor, you are likely to leave large amounts of money on the table. M&A Advisors have experience valuing companies (generally using a multiple approach) appropriately and then negotiating with buyers for a top-dollar purchase. While hiring an expert does come with a fee, the additional funds gained from the sale will more than compensate for the expense. Most companies that work with an experienced advisor see a bump of more than 25% in closing value, according to M&A research.

Finding the Right Buyer

According to research performed by the International Business Brokers Association, 40% of buyers for lower middle market transactions at the end of 2021 were existing companies. Having access to those buyers already looking for companies is crucial. M&A Advisory companies, with the support of a professional marketing team, bring both a referral network and several listing strategies to the table. Indiana Business Advisors, for example, has a contact network of over 12,000 individuals, businesses, and private equity groups. Through this as well as email, direct mail, phone outreach, and public/private listing and deal sites, a well-tailored marketing strategy increases the odds of getting multiple offers. The odds of this outcome are much higher with an M&A Advisor.



Presentation Experience

The next reason for hiring an M&A Advisor to sell your business is relatively straightforward. They have the experience and knowledge of what buyers are looking for and how to present information in a meaningful, yet strategic way. Just like realtors taking pictures, staging, and describing a home for sale online, M&A Advisors work with a team of marketing professionals to create sales collateral documents that present the business for sale in a clear and attractive way, with an emphasis on key facts. No potential buyer wants to hunt for and ask multiple questions about basic information.

Keep the Business Running

Preparing and then listing a business for sale is a time-consuming effort. Owners and management need to focus on running the company so that they don't see a loss in revenue that would ultimately hurt the final sales price if there is a sharp dip in cash flow. By outsourcing the valuation, sales collateral, marketing, and negotiation to an M&A Advisor, the company continues to run efficiently. Not only does this maintain operating efficiency, it reduces the overall stress brought about by trying to juggle both the business and its sale.

Finding the Right M&A Advisor

As illustrated above, hiring an experienced M&A Advisor is the keystone of a successful divestiture, but how do you know if it's the right fit? Here are some questions to consider when deciding who to work with:

- Does the firm have experience with companies in your industry?
- How many years has the firm been operating?
- What does the firm's network look like?
- What's their track record like?
- Does the firm understand you and your needs?

At Indiana Business Advisors, we understand the difficulties that selling a business brings. All the reasons above are at the core of our strategy and expertise. With 40 years of experience and 2200 businesses sold during our history, we have encountered and overcame nearly every type of situation and obstacle imaginable. As a trusted M&A Advisory Company, you can feel confident and secure knowing that your biggest investment is in the right professional hands.

We want to bring every bit of IBA's expertise and strategy to bear for your company and help you meet your goals. If you want to take the next step in determining value, preparing your company for sale, or taking it to market... reach out through one of the options below. We look forward to serving you.