

## Enhance Shareholder Value to improve your exit terms

In my experience, from more than 16 years in M&A and Financial Services, out of every 5 business owners who approach us, only one will be fully ready for sale and, therefore, able to command the maximum sale price. Taking a business to market too early can seriously compromise its inherent value, resulting in low or no offers from buyers and often a failure to sell.

As M&A Professionals, we work with hundreds of investors, internationally and our knowledge of the acquirer perspective enables us to advise our clients on the essential actions they can take to prepare their business for sale by enhancing the potential value for a buyer.

### Here are a few points to consider:

- Be clear about your expectations not only on the value you expect to achieve from a sale, but your anticipated timescales and the deal structures that will meet your personal objectives. Establish a robust Management Succession Plan so that your business can run without your close involvement and is not totally dependent on your input.
- Know your numbers. You need to be familiar with any unusual numbers or trends in your company accounts.
- Make sure that your forecasts for the year are being borne out by the actual performance. If they don't, ensure you are confident talking about the reason(s) for the disparity.
- Look at the infrastructure of your business to identify your strong points as well as your weaker areas. Examples are your IT systems – will they need to be upgraded to cope with increased demand driven by new owners or your HR Policies – will they help or hinder you when negotiating with a potential buyer.
- Identify the potential; conversely it is an opportunity for a new owner to exploit the weaker areas in a purchase in order to improve Return on Investment. If you can identify potential, outline what it is, put some figures against it for say the next 3 years. This will enable you to talk confidently about the future prospects of the business when in discussions with a potential buyer.
- Consider the transition period and your role in the business during that phase. Be prepared to minimise an investor's perceived 'risk' by remaining on post-sale for an agreed period, to oversee a smooth transition.

To find out more, please contact us on [info@evolutioncbs.co.uk](mailto:info@evolutioncbs.co.uk)

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