

The role of M&A advisor

The principal role of M&A advisors is to provide advice to privately held, often family-owned, companies on the sale of their business. Typically, the company engages an M&A advisor when they are ready to sell their business. But are you ready? Advisors should be engaged early in the process, sometimes years before they are ready to go to market.

Recent studies show that 66% of the current American business market is owned by Baby Boomers, who are set to transition over the next zero to ten years. Statistics also show that only 20 to 30% of businesses that go to market actually sell; leaving up to 80% of those without solid options to harvest their wealth and ensure economic continuity into the next generation. An owner who is “ready” with an attractive business greatly increases the odds that the business will survive a transition of hands. The question is, how ready are business owners? Through the process of Exit Planning (the Value Acceleration Methodology), owners can build more valuable companies, have stronger personal financial plans, and align their personal goals.

Once you are positioned to maximize value for your business, engaging a good M&A advisor can also add significant value for a business owner, particularly one that has little or no prior experience in M&A. A trusted M&A advisor will provide thoughtful and personal advice with the objective to ‘quarterback’ the M&A process for the company. Your trusted M&A advisor will ‘quarterback’ the M&A process for the stakeholders who still have a business to run. They will collaborate with the company’s advisors, attorneys, accountants, and financial advisors. They research and identify suitable potential acquirers, confidentially make initial contact with other business owners and corporate development officers, advise on deal structure and company value and take an active role in the buy-side or sell-side negotiations.

A well-managed sell-side engagement can be completed in approximately six to nine months with the sole objective of helping you achieve your financial and strategic goals.