

Selling a business can be a stressful experience for any entrepreneur. From choosing to whom to sell, to pulling together all the diligence material and to negotiating the terms of the sale, it can be a daunting process.

At Cultura, we have completed several acquisitions. And while each acquisition is unique, in our experience the smoothest process and quickest closings have one common identifier: a team of domain experts assembled and ready to help with the sale.

Not having a team of advisors dedicated to selling the business does not only delay the closing, but can also derail the process causing frustrated buyers and sellers to walk away. In our experience, below are some of the key roles that a seller will need to fill:

1. Business broker

Whether you should involve a broker to act on your behalf is entirely dependent on your resources and expectations. The advantage of using a broker is that they are able to broaden the number of potential buyers, or work closely with a purchaser that you have identified.

Their role is to help manage the flow of information which allows you and your team to continue managing the day-to-day operations of your business simultaneously. The disadvantage, of course, is that they will take a commission off the transaction and therefore, may not have your best interest in mind.

2. Resources from your company

During the selling process, the potential acquirer will need to collect and analyze data about your company. Finding the right people from your organization to help collate this information can be tricky as it will require a chunk of their time and will be privy to confidential data.

The most common situation that we encounter at Cultura is one where the founder or largest shareholder is the driving force behind the sale. But in situations where the owner needs assistance, or wishes to delegate a member of their team to manage the M&A process, it is critical to assign this role to a trusted member of the organization.

3. Legal counsel

When looking for a lawyer to help you think through these issues, try to find a lawyer or firm who is experienced in dealing with selling businesses. They should also be able to advise you on who else you may need on your team, such as an accountant or other transaction advisors, and be able to work with them as a team.

You could work through your network of bankers, accountants, and business brokers to obtain a good referral. The key thing to look for is a lawyer who is commercially minded who can frame the legal issues in the context of the key business and commercial issues that you face, and one that has a sense of perspective.

4. Accountant and Tax specialist

One of the most important people on your team will be your accountant. The accountant will play a crucial role during the diligence process, particularly in situations where you have chosen not to engage a broker. Your accountant will act as a trusted advisor and will help you navigate the financial aspects of due diligence.

Moreover, tax implications are often an overlooked area. Engaging an accountant to structure the transaction in the most tax efficient manner can create a lot of value for a seller.

In Conclusion

All-in-all, having the right people supporting the sale will make a difference between chaos and a smooth sale - or no sale. Just like running a business, dependable and hard-working individuals will help shareholders achieve the outcome they desire when selling their business.