Potential Buyers

- Who they are
- What makes a seller attractive to them
- How they operate

Working with an M&A Advisor

- Complete market assessment
- Source potential buyers
- Negotiate letter of intent (LOI)
- Assist due diligence
- Negotiate definitive agreement
- Fees
- Next steps

M&A Advisor Fees

- $50,000 upfront retainer
- Success fees
  - 5% of the first $1 million EV
  - 4% of the next $1 million EV
  - 3% of the next $1 million EV
  - 2% of the next $1 million EV
  - 1% of any amounts beyond $4 million EV
- Example: $10 million deal = $250,000 fee

8 Avoidable Mistakes That Derail Deals

1. Cleanliness and integrity of financials
2. Lack of formal exit planning
3. Caginess during due diligence
4. Lack of familiarity with numbers
5. Losing focus on business performance
6. Running a too narrow process
7. Not pre-defining ideal outcome
8. Letting emotions cloud judgement

Source: Exit Ready Magazine, Vol. 1 2024 Edition, Axial