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Selling Your Business – M&A Broker Talent is Key for Success

By John C. Johnson

Selling your business successfully requires managing many moving parts to create a best outcome. Choosing the right M&A broker talent will add value for you.

Selling is among an owner's biggest life decisions. It can create financial security and cut constraints inherent in business ownership, opening new life options to enjoy meaning and fulfillment beyond business. Your business generates personal income and is your vault of accumulated wealth. An opportunity to cash in your business value deserves smart choices. Questions needing answers will include:

- What's my business really worth?
- Is this the right time to sell or is it better to wait?
- What's involved?
- How to keep it private?
- What can maximize and protect value?
- Who will help me sell it right?

Why Use an M&A Broker?

M&A brokers can help answer the questions and be an owner's most valuable ally in managing their sale.

Smith Bucklin's research found sellers recognized value when business sales were guided by M&A professionals. 75% said working with their M&A broker was "very valuable". 90% observed that confidentiality was better protected. Over 85% thought the selling memorandum effectively portrayed maximum value for their firm. Sellers cited significantly less stress as a key benefit.

Studies show sellers receive higher sale values by using an M&A specialist:

- 33% reported a 10% increase;
- 40% noted 30-40% increases;
- 15% percent enjoyed 40-100% higher value.

Buyers' experiences are also instructive. Buyers reported they prefer to buy businesses represented by professional M&A brokers, even knowing that the price they pay may be higher. The main reasons for this were recognition that represented sellers are better prepared to conclude a sale, more genuinely motivated, better educated about the process, and their information is more easily analyzed. Buyers find they waste less time, negotiations are smoother, deals close faster, and there is far less stress when an M&A broker is representing the seller. Their probability of getting from offer to closing is much higher.

All things considered, business owners are well served when they rely on a talented mergers and acquisitions professional to manage their business sale.





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What Really Matters When Choosing Your M&A Professional

Many commentators suggest considerations to help select an M&A specialist, such as:

- Education and training
- Business sale certifications
- Tenure
- Deals done
- Marketing “reach”
- Local knowledge
- Reputation

Credentials can look very similar among many potential choices. Many are very skilled. The question then becomes ‘what else should you seek in an M&A broker to manage selling your business and to produce the best outcome?’ Using advisors’ marketing materials, credentials, and claims, it is difficult to distinguish one from another. So what sets some M&A brokers and advisors apart and above the pack? Succinctly, it is talent.

“Skills are common. Talent is rare.” - Colin Clark

Your best sale outcome is built by creating, recognizing, and seizing the right pieces out of many moving parts and possibilities. Optimal results at closing start by properly setting the table, then managing appropriate information, market access and resources, using a well-crafted M&A process. It requires the expertise to know what to do, when to do it, and what to avoid. These elements of “know-how” help manage the sale to your maximum advantage.

The most valuable M&A dealmakers add talent to the mix. Tal-

ent integrates other critical factors such as wisdom, “feel”, creativity, instincts and vision. Judging these is more challenging than merely considering credentials and personality. Knowing traits to look for will be helpful.

Some valuable talent traits in a dealmaker are described below. Many are innate personal abilities and there are clues for recognizing them. Talent drivers can be spotted in results, such as successes, leadership, and accomplishments across multiple and diverse circumstances. Evidence can be found in testimonials and by interviewing the advisor. Do they promptly “get it”, understand, and respond with options and possibility thinking. Are interactions quick, candid, and bright, or are responses canned speaking points?

Traits Found in Top Talent

I. Flash Insight

Flash insight sees obscure opportunities. It comes from combining expertise with uncommon ability to conceive multiple possibilities and components thereby producing new alternatives. It identifies a broad spectrum of impacts from dynamic and multifaceted parts. Flash insights appear at intersections of knowledge, discernment, feel, and creativity. Opportunities to benefit from these insights occur many times while crafting a transaction

II. Artful Communications

Many deals fall short of best outcomes due to inadequacies in communications. Ability to listen accurately, with insight to “hear” beyond what is said, is invaluable, as is presenting information straightforwardly, with minimum noise and distraction.



III. Judgment

Sensing appropriate actions to take with the appropriate people at the appropriate moment adds value. Likewise, knowing when to influence, when to intercede, and when to let things flow, will keep selling your business on the right path forward.

IV. Perception

Early recognition of problems, obstacles and opportunities also improves your results. It allows course corrections to minimize problems, avoid obstacles, and boost outcomes. A talented advisor will “see around the corners and over the hills” to anticipate what is coming, how to prepare, and the best responses.

V. Multi-Level Thinking

Your M&A broker’s multi-level thinking synthesizes possibilities on the fly across many deal dimensions. It enhances your outcome by realizing how one change may open up other areas of improvement or impact several diverse aspects of your transaction. It reduces losses arising from unintended risks and consequences. It adds value that easily would be lost in the shuffle. Zooming in on critical spots to quickly open multiple arrays of consequences, opportunities, and to understand where “opponents” are trying to go. You do this type of expert thinking in your business and top M&A brokers do it for your business sale.

VI. People Smarts

Deals involve people who bring in divergent agendas, knowledge, and personalities. With many opposing objectives, they also share a central objective to conclude a successful acquisition and sale. Establishing trust and working relationships consistent

with how others receive and process information and handle relationships is a talent that helps achieve the best business sales.

VII. Courage

Seek an M&A broker with the courage to challenge your positions, offer solutions, and speak truth. Too often brokers rely on asking their client what to do. You will be better served by the advisor’s courage to present you with clear recommendations for you to consider and base decisions.

When selling your business, engaging a professional M&A broker and advisor will pay off in your outcome. Your broker’s talent will magnify the amount of that pay off.

A professional association for M&A brokers and advisors, such as The M&A Source (www.masource.org) is a great place for finding certified mergers and acquisitions brokers. Also, I would personally welcome hearing from you to privately address your business sale concerns.

John C. Johnson helps business owners exceed their objectives when selling businesses. As a certified M&A broker, he is an award-winning mergers and acquisitions professional. In his fourth decade advising business owners, he knows the path that they face. He has walked in an owner’s shoes, having started, built, bought and sold businesses. John commits to clients’ success in securing their best outcomes. He is a founding partner of leading M&A broker and advisor firms, BluestemUSA (www.BluestemUSA.com), IBG Business (www.IBGbusiness.com), and The Oil & Gas Advisor (www.OilGasAdvisor.com). He has chaired leading professional associations, The M&A Source and the International Business Brokers Association.