

Dealing with an approach



How we can help

We encourage our clients to first consider the following:

1. Is now the right time to sell?
2. Understand who has approached you
3. Don't rush to the next stage
4. Ensure confidentiality
5. Share information at the right time
6. Share information wisely
7. Always think about value
8. Never disclose price expectations
9. Get professional advice
10. Part on good terms

The first question we would always ask is whether now is the right time for your business to consider a sale. We often work with businesses who are developing new revenue streams that would not yet be represented in a purchaser's mind-set.

We can work with you to understand their motive, whether it is genuine and more importantly if can they afford you. Don't be afraid to ask questions before progressing.

Early actions will set foundations for the nature of negotiations to follow. There is a reason they have approached you; put the onus on them to make headway. Put a confidentiality letter in place; we would expect the acquirer to be able to offer one, but it is your information and it should be on your terms.

It is important to consider at what point you share the information. Don't be afraid to hold back and not rush into handing over information as early as possible. Whatever information you share will be useful to an acquirer, regardless of whether a transaction completes or not. This is when it is crucial to assess the validity of the approach.

Any information you share, especially any forecasts, can be held in evidence against you in later negotiations. Take time over the presentation of numbers and make sure you present your business in the best possible light.

There is always a positive story, even if you may not initially think so. They approached you, it is for them to decide your worth. Even if you have agreed a headline price, there are many more subtleties in transactions where the inexperienced can give away value without realising.

If discussions cease, ask for the return of your confidential information or for an undertaking that it has been destroyed. Most importantly part on good terms, there may well be a next time.

If you have any questions, please get in touch:

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Often our first dealings with a business is when they have been approached by a prospective purchaser. Here, we summarise our initial advice helping you to determine if you'd benefit from our assistance.