

Why Choose Experienced Advisors During a Business Sale?

Help position your transition from the business for success with the right team in place



Key takeaways

- Well before it's time to sell your business, having the right team on hand to execute the transaction is key
- Legal, accounting, and investment banking advisors each play distinct and important roles in helping to make the transition a success

For many entrepreneurs, selling their business is uncharted territory, so being properly prepared is vital. Not surprisingly, engaging the right team of experienced advisors with relevant skills and knowledge—professionals who are very familiar with each stage of the transition—takes on paramount importance. Here are the key players to have on hand:

Legal counsel. A business sale typically requires an extensive array of legal documents, so owners frequently believe that their longtime attorneys should lead this charge. To be clear, intimate knowledge of a company usually makes the incumbent attorney invaluable, but mere tenure should not be the principal reason for putting them in charge of transaction documentation. Depending on the size and type of business, a transaction can require a broad range of legal expertise with corporate law, securities law, tax law, environmental law, and intellectual property law being regular examples. Understanding the potentially diverse legal needs and ensuring that counsel has the resident expertise to address each of them is the first step toward building a team to navigate all legal aspects of the sale process.

Accounting advice. As with long-serving attorneys, business owners trust the accounting professionals who prepare their financial statements and advise on tax strategy. This trust is well-earned over years of providing sound advice in a normal operational framework. When a business owner contemplates a transition, the accounting and tax needs shift to a transactional basis. Both contexts are important. The company's longstanding accounting records are bedrock. Positioning that information for and advising on a transaction rest on that foundation. Perceptive owners can appreciate that difference and involve transaction-oriented accounting and tax expertise to complement the historical accounting work.

Investment banker. Virtually every business owner—and particularly a first-time seller—is typically well-served to retain an investment banker to manage the sale process. It is a labor-intensive journey with its own set of customs and practices. Because these processes generally follow a highly consistent path, an advisor’s proven execution ability can often be the defining factor in a successful deal. With innumerable, well-qualified investment bankers serving all levels of the market, selecting the right advisor can be daunting. To ensure a good fit, it’s wise to interview a few candidates. Understanding their industry knowledge, years of experience, firm resources, and typical transaction types and sizes provides a good barometer of how they’ll perform in a particular business transition.

Building the right transaction team is a thoughtful process aimed at maximizing the likelihood of transaction success. It’s best done intentionally with clear goals, rather than reactively when a transaction opportunity happens to arise. Like any team, it’s sensible to consider several players at each position before establishing the starting lineup. In what is frequently a once-in-a-lifetime transaction with their most valuable asset, wise business owners take a clear-minded approach to recruiting—and paying for—the right talent to enhance their chances of success. They view talent as an investment, not an expense.

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