

# WHEN TO SELL YOUR BUSINESS & WHY IT'S IMPORTANT TO HIRE AN INVESTMENT BANKER TO MAXIMIZE VALUE

## WHEN IS THE RIGHT TIME TO SELL YOUR BUSINESS?

The perfect conditions for selling your business are when the following 3 elements are in place:

- 1 There is a history of financial improvement in the business over the last few years, both in revenues and earnings.
- 2 There is strong evidence that revenues and earnings will continue to increase in future years.
- 3 Market conditions are such that the investment community believes there is good upside ahead for the industry segment your company serves.

### The risk of putting off selling:

It's easy to assume that your business will continue to grow, but what if events out of your control intervene?



**Recession or Industry Downturn**



**Unexpected Health, Family or Personal Issue**



**Loss of Key Customers or Management**

So the question you need to ask yourself is:

**“Are you, your family, and your investors emotionally prepared to wait another 5-10 years for the right time to sell?”**

– Pete Sokoloff, Senior Managing Director, Peter A. Sokoloff & Co.

Consider what would happen if an unforeseen event hit your business hard and you needed years to get back to where you are now.

**Is that risk worth it to you?**

## WHY WORK WITH AN INVESTMENT BANKER TO SELL YOUR BUSINESS?

A skillful investment banker manages the sale process from beginning to end – allowing you to focus on continued business growth and profitability – and thereby ensuring your company attracts a premium valuation and the most favorable deal terms.

**100% of business owners** who sold their businesses with the help of an investment banker said **the investment banker added value.**<sup>1</sup>



**84% of business owners** said their **final sale price was equal to or higher** than the initial sale price estimate provided by the investment banker.<sup>1</sup>

An increased purchase price can make the fee of purchasing with an investment banker more than worth it.

3 important ways an experienced investment banker helps prepare your business for a sale:



#### Identify Vulnerabilities Within the Business

An investment banker can identify blind spots that could otherwise lead to lower valuations and/or unfavorable terms.



#### Build a Compelling Narrative

An investment banker will fine-tune your financials, projections, and business case to convince potential buyers of future opportunity.



#### Develop a Targeted Buyers List

An investment banker can identify a range of prospective buyers you may otherwise not have considered or had access to.

Investment bankers also provide other valuable services:

Qualify serious buyers and manage the flow of sensitive company information  
 Educate and coach management and key personnel  
 Add credibility and ensure confidentiality



Enable management to focus on running the company  
 Negotiate and structure the transaction  
 Work with the buyer, seller, lawyers and accountants to close the deal

**Unless you have substantial expertise, a broad buyer network, and a lot of free time, partner with an investment bank. You may be able to get it done yourself, but you'll be leaving millions of dollars on the table as well as closing a higher risk transaction.**

– survey respondent<sup>1</sup>

## CONSIDERING SELLING YOUR BUSINESS? PARTNER WITH LOHI MERCHANT BANK

LoHi Merchant Bank is a boutique firm with global reach that specializes in selling middle market companies. We take a hands-on approach to our client relationships, working closely with you to understand your objectives and build the right strategy for you to achieve a successful and meaningful exit.

Learn more at [LoHiCap.com](http://LoHiCap.com)