

ENTREPRENEUR'S GROWTH CONFERENCE 2013

**Come on Big Money:
How to Sell Your Business &
Get Top Dollar**

**Steven Cherin, Esquire
Cherin Law Offices, PC**

5/10/2013

HOW TO SELL YOUR BUSINESS & GET TOP DOLLAR

Six Stages of a Project

1. Wild Enthusiasm
2. Disillusionment
3. Panic and Confusion
4. Search for the Guilty
5. Punishment of the Innocent
6. Accolades for the Non-Participants

5/10/2013

HOW TO SELL YOUR BUSINESS & GET TOP DOLLAR

Is it time to sell?

How much is my business worth?

5/10/2013

HOW TO SELL YOUR BUSINESS & GET TOP DOLLAR

Fundamentals of Selling a Business

- Plan with experienced M & A professionals
- Complete your own due diligence
- Make your business attractive to buyers
- Complete financials and projections
- Determine tolerance for risk
- Determine who will be staying on

5/10/2013

HOW TO SELL YOUR BUSINESS & GET TOP DOLLAR

Experienced M & A professionals can help...

- Get a favorable LOI or Term Sheet
 - A deal never gets better after the Term Sheet
- Convey the right sales perception
 - Someone needs to wear a black hat
 - let it be the advisor
- Position you for maximum benefit of a deal
 - Tax planning is critical

5/10/2013

HOW TO SELL YOUR BUSINESS & GET TOP DOLLAR

Due Diligence – Do your own review before there is a Buyer

- Legal
- Contracts
- Obligations
- Personnel
- IP and IT
- Other

Information will be well organized, at the very least
Learn what the Buyer will learn, before the Buyer learns it
Anticipate and fix problems to make a smoother transaction

CHERIN LAW OFFICES, PC

steve@cherinlawoffices.com

5/10/2013

HOW TO SELL YOUR BUSINESS & GET TOP DOLLAR

Make your business attractive to Buyers - -

- Fix problems found by due diligence
- Discontinue or spin-off pet projects
- Clean up of physical location
- Eliminate certain owner “perks”

CHERIN LAW OFFICES, PC

steve@cherinlawoffices.com

5/10/2013

SELLING YOUR BUSINESS: EXIT WITH CLASS & CASH

Complete financials and projections

Finish past year financials

Complete 2 to 3 year projections

- GAAP compliance
- Add-backs
- Synergistic savings

CHERIN LAW OFFICES, PC

steve@cherinlawoffices.com

5/10/2013

HOW TO SELL YOUR BUSINESS & GET TOP DOLLAR

Determine tolerance for risk – The dichotomy

Sellers want certainty

vs.

Buyers want protection

CHERIN LAW OFFICES, PC

steve@cherinlawoffices.com

5/10/2013

HOW TO SELL YOUR BUSINESS & GET TOP DOLLAR

Determine who will be staying

- You
 - How long are you willing to stay?
 - How long do you need to stay?
- Management team
 - Any critical members to lock-up?
 - Any members who need to go?

CHERIN LAW OFFICES, PC

steve@cherinlawoffices.com

5/10/2013

Entrepreneur's Growth Conference

2013

Key Points to Remember:

- *Plan with experienced M & A professionals*
- *Complete your own due diligence*
- *Make your business attractive to buyer*

CHERIN LAW OFFICES, PC steve@cherinlawoffices.com

Steven M. Cherin, Esquire
Cherin Law Offices, PC
425 North Neville Street
Suite 301
Pittsburgh, PA 15213
(412) 680-5897
steve@cherinlawoffices.com

Selling Your Business: Exit With Class & Cash

ENTREPRENEUR'S GROWTH CONFERENCE

2013