

Selling Your Business

Expectations & Process
So You can Exit with
“Style, Grace, and More Money™”

Martinka Consulting/Nokomis Advisory Services 425-576-1814
- martinkaconsulting.com and nokomisadvisory.com



Getting Started - Personal

You've decided to sell or you're at least thinking of it.

Assemble your team, which should at the very least include:

- Your M&A advisor
- CPA
- Attorney
- Financial advisor

Then ask yourself if you know what you will do post-sale.

- Is it a new business, non-profit work, consulting, or retirement?
- If it's retirement, does your spouse want you around 24/7?

Getting Started - Business

Know what you're getting into. Start by knowing what the company is worth (your M&A advisor can help as can a business appraiser). Know if it's enough to fund your next great adventure in life (this is what your financial advisor helps with).

Get your business in order. Make it attractive to buyers.

Self-promotion: read our book: *If They Can Sell Pet Rocks Why Can't You Sell Your Business (For What You Want?)*.

Getting Started – The Process

Assessment of the business and its value (with us).

We do our pre-sale due diligence so there will be no surprises (similar to what buyers will do).

Agree on target price (range) and terms.

Engage with us to start the process.

Assemble the team and have an initial team meeting.

Marketing

- Prepare a one page teaser (no mention of company name).
- Prepare the Confidential Information Memorandum (CIM).
- Target buyers (confidentially).
- Reach out to buyers and qualify them.
- Every potential buyer signs an NDA.
- Get interested buyers' financial statement or financial capability.

Showing the Business

Meet qualified and interested buyers. We take the phone calls, answer questions, qualify prospective buyers so you can concentrate on running your business.

Provide more detailed information about the business.

- 3-5 years of financial statements
- Tax returns
- Budget and projections
- AR/AP aging
- Non-financial factors overview

You meet qualified buyers and build a relationship.

On-site visit (if it has not already occurred).

Offer Time

Buyers submit a Letter of Intent (LOI).

Buyers provide conditional approval of funding.

Negotiate the LOI.

Reach agreement with buyers.

Sign LOI.

Due Diligence

We do diligence on buyer, but most is buyer performing diligence on the business.

Buyer provides diligence list and tracking form.

Setup a confidential data room for all diligence materials.

Just when you think you've answered every question possible, the bank or investors will ask more (they're nosy).

Introduction to landlord.

Agreements and Commitments

Buyer gets firm bank and/or investor commitment.

Buyer's attorney drafts purchase and sale agreement, non-compete and other deal documents.

Agreement and deal documents negotiated between the parties.

Schedules to agreement are compiled (documenting everything asked about the business).

Transition plan is drafted.

Closing and Payment

Escrow is arranged through one of the law firms or an independent service.

Buyer transfers their equity funds to escrow account.

Sign purchase and sale agreement.

Bank wires funds to escrow account.

Funds transferred to seller.

Date for post-close working capital true-up (tentatively) set.

Enjoy Your Next Great Adventure in Life

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