

In M&A, a Seller's Greatest Asset Is Their Engagement in the Deal

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By Michael N. Mercurio



Every business owner understands the importance of employee engagement. Keep your team motivated and energized, and you'll maximize profit, productivity, retention, and customer satisfaction.

When the time comes to sell your business, you'll need to cultivate that same level of engagement within yourself. You're the one in the driver's seat; no one else can steer the process for you. If you aren't totally invested and enthusiastic about the deal, you risk missing out on the best possible sale price or letting the transaction fall apart.

Keep in mind that during a merger, acquisition, or other business transaction, a seller takes on two jobs: selling a company and running a company. Neither job is easy. Both require full engagement, attention, and leadership acumen. I like to say that during an M&A transaction, you operate your business from 9 a.m. to 5 p.m., and you sell your business from 5 p.m. to midnight!

During the transaction, the business owner needs to make themselves readily available to evaluate buyers, negotiate terms, produce documents, answer questions, and actively engage in other elements of the transaction. As a seller, the owner must also *sell* their business — convincing the other party of their vision, of the company's valuation, and why the organization is an excellent buy.

At the same time, the owner is still involved in the day-to-day operations of the business. We're talking about governing organization-wide initiatives, developing strategies, making decisions, communicating to internal and external stakeholders, and everything else leaders do on a daily basis. In addition to these full-time responsibilities, the owner is typically hard at work on the transition — readying employees for the changes ahead, locking down key contracts, keeping vendors and business partners updated, and so on.

If that sounds like a lot to handle, it's because it is. It's like undergoing an extended federal investigation while pushing your business as aggressively as a used car salesman would. Sellers need to prepare financially, emotionally, and psychologically for the difficult road ahead. They need to figure out their goals and objectives early and stick to them resolutely.

Fortunately, sellers don't need to manage it all alone. Business attorneys, investment bankers, valuation professionals, and other M&A advisors can provide much-needed support and sanity checks.

That said, we can't get the deal done without your direction and continual involvement. Again, the operative term is *engagement*. I've worked with clients who lacked engagement and damaged their deals as a result. You need to consider decisions, read every document, and follow through all the way. If your attorney asks you for your business contracts, they don't want to hear "here's most of them." You need to provide all of them, not 80%, not 90%. "Good enough" doesn't cut it. The

buyer who's going to pay you millions of dollars isn't going to stand for "good enough" or "most of what I could find;" they need everything, or they need to know what you can't find and why.

On the flip side, there's such a thing as getting too engaged in the transaction. Micromanaging is a form of sabotage. Trust the members of your team to do their jobs. Insisting that you need something done by Friday has no impact on your attorney's ability to do it. Deadlines should be based in reality.

Moreover, the attorney may have a good reason for taking their time. Sometimes, it's simply smarter to wait and see how things play out so you can make better-informed decisions. Remember that a business transaction is a dance, a push-and-pull between buyer and seller. If the only reason you're rushing through it is to check a box, you could be losing perspective on the deal and giving up your leverage.

Any effective arrangement between a business owner and an M&A advisor is a partnership. While healthy discussion is good, each partner fundamentally needs to do their part and stay in their lane. A lawyer shouldn't be asked to provide guidance on net-working capital—that's an investment banker's job. By the same token, the banker's input on legal matters shouldn't supersede the attorney's recommendations.

And as the business owner, you're ultimately the one calling the shots. It's your business, your transaction, your future. Grab hold of the wheel and put your foot on the pedal.

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