M&A Nugget: Smart Moves During an M&A Slowdown - Strategic Preparation for Business Owners

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Although there are always segments of the M&A market that are busy, most advisors will tell you that there is a current slowdown in overall M&A activity. This gives sellers an opportune time to conduct “spring cleaning.” Just like the stock market, the M&A market ebbs and flows, and it is important that owners be prepared for the next M&A market flow. Here are a few steps you can take to be ready:

- Update Corporate Records – Make sure that ownership certificates reflect the current ownership of your business and that all required corporate documents exist.
- Consider implementing incentive plans to retain your key employees, which will help to drive the growth, value, and ultimate purchase price for your business.
- Review the classification of your business’s personnel between W-2 employees and independent contractors - always a hot-button issue with acquirers.
- Conduct an audit to ensure that your immigration documentation for employees is current and in compliance with the law.
- Review or have your CPA review the company’s compliance with sales tax rules to make sure that the company is filing sales tax returns and paying sales tax, where and when required.

All of the above items, and many more, will be thoroughly investigated by any acquirer. By conducting spring cleaning now and arranging your business house to be in order, you will be steps ahead when the tempo of the M&A market picks up.