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Sell-Side Readiness: 5 Key Takeaways

ProVisors' Chicago M&A group recently hosted a panel discussion featuring: Derek Zacarias of The DAK Group, Bruce Menkes of Mandell Menkes LLC, and Carlos Sava, of ProCFO Partners, moderated by David Lesser of Klarian Capital Group to discuss a critical topic for every business owner that one day plans to sell their company, whether in the short or long term. The 5 – Key Takeaways are broad-based, yet very thoughtful and each professional agreed, business owners need to start here!

1. Preparation Is Key

At The DAK Group we have a mantra: Manage your business like you'll own it forever but be prepared to sell it tomorrow. It is never too early to start planning for your exit.

2. Details Matter

Consult your legal and accounting advisors to make sure your legal documents and financials are in order. Contracts are in place. Key employees have non-competes. Your books are tight and close to GAAP. These may not seem important today but can have a meaningful impact on the value of your business in a sale process.

3. Know How Others Will View You

Take a hard look at your business and put yourself in a Buyer's shoes. Answer these key questions:

Do you have customer concentration issues? How does your margin profile compare to the competition? Is your management team bench deep enough? What is your business worth?

4. Death and Taxes

Work with quality tax and estate planning professionals to make sure you don't leave money on the table funding the IRS more than needed! This should be done WELL in advance of a transaction to avoid issues.

5. Time Kills All Deals

Doing the correct prep-work upfront ensures a smoother path to closing a transaction and reduces risk. It's always easier to do the work upfront rather than after a buyer is knocking on your door. One of the best ways to ensure a steady path to close is to start speaking with an M&A Advisor early and often!

ProVisors is a nationwide group of Trusted Advisors to business owners. With over 20 chapters throughout the US dedicated to providing a high level of advice and execution for business owners in every sector.

If you are a business owner looking for more information or getting ready to sell your business, please reach out to [Derek Zacarias](mailto:dzacarias@dakgroup.com) at dzacarias@dakgroup.com.