



Branding & Business Value

Why Brand Strategy Can Matter When It's Time to Sell

When buyers evaluate a company, their primary focus is on the fundamentals: financial performance, growth prospects, customer relationships, and operations. Branding is typically not a central factor in valuation, and in most cases a company's branding is perfectly adequate.

Occasionally, however, the presentation of the company has fallen significantly behind the strength of the underlying business. When that happens, it can stand out to buyers and raise unnecessary questions during a sale process. In these situations, outdated branding can detract from otherwise strong value drivers.

Examples of Branding Issues That May Raise Buyer Questions

- A websites that has not been updated in many years
- Sites that function primarily as product catalogs
- Logos or visual identities that appear decades old
- Inconsistent messaging across marketing materials
- Limited explanation of capabilities, markets, or differentiation

How Buyers Interpret Brand Presentation

- A professional presentation reinforces confidence in the business
- It signals management continues to invest in the company
- It demonstrates awareness of how the market perceives the organization
- It suggests the company is evolving along with its industry

When Branding Improvements May Be Considered

In most situations, branding does not need to change before a company goes to market. However, if elements of the company's presentation appear significantly outdated relative to the strength of the underlying business, modest updates may sometimes be considered.

When a disconnect exists between the quality of the business and how it is presented externally, it can introduce unnecessary questions and in some cases detract from the perceived value of

the company. Any potential changes should be discussed with your investment banker as part of the broader transaction strategy.

Avoid Brand Disconnect: Take a Proactive Approach to Protect Company Value

Monitoring your brand as the business evolves can help avoid these issues at the time of sale altogether. When branding, culture, business performance, and the company's value proposition remain aligned over time, the external presentation of the business tends to keep pace with the strength of the underlying organization. In that context, branding investments should not be viewed simply as marketing expenses, but as strategic investments that help protect — and sometimes enhance — the long-term value of the company.

DAK Group Perspective

In most transactions, branding is not a valuation driver. However, when a company's brand presentation is significantly outdated, it can create an unnecessary disconnect between how strong the business actually is and how it initially appears to buyers- thus, a value detractor. . Addressing these situations strategically — and only when necessary — helps ensure buyers focus on the fundamentals that truly drive value.



About Joan McGeough

Joan McGeough is the Chief Marketing Officer at The DAK Group, an M&A advisory firm serving middle-market companies nationwide, where she leads the firm's strategic positioning and market presence. A recipient of the Enterprising Women in Commerce Award and recognized as a Top 25 Leading Women Brand Builder, Joan brings more than two decades of experience aligning brand, strategy, and business development to strengthen competitive advantage and enterprise value. She can be reached at JMcGeough@dakgroup.com or at 201.478.5261.