

About Us

Morgan & Westfield is a leading M&A firm specializing in business sales, mergers, acquisitions, and valuations for privately owned businesses. Morgan & Westfield's transaction focus is on companies that produce between \$1 million and \$10 million in earnings before interest, taxes, depreciation, and amortization (EBITDA), as well as companies with annual revenues from \$5 million to \$100 million. Morgan & Westfield has completed hundreds of transactions on behalf of clients in over a hundred industries and represented business owners and buyers in North America, Central America, South America, Europe, and Asia. Regardless of sector, size, and location, Morgan & Westfield's tailored approach has been defined, developed, and refined over the course of hundreds of successful and unsuccessful transactions – after all, learning from failures is a powerful and respected teacher.

More Resources on Selling a Business

- **Ask the Expert:** Links to common M&A questions and answers. Ask any question related to buying, selling, or valuing a business. Receive expert advice from industry professionals with real-world experience. Please visit www.morganandwestfield.com/resources/ask/
- **Downloads:** Links to forms and other useful resources for selling your business. Please visit www.morganandwestfield.com/resources/downloads/
- **Books:** A complete list of our books on selling, valuing, or buying a business, and all other topics related to M&A. Please visit www.morganandwestfield.com/books/
- **Glossary:** A glossary of terms used throughout this book. Don't be confused or intimidated by any terms or abbreviations in the M&A world. You'll find answers here. Please visit www.morganandwestfield.com/resources/glossary/
- **M&A Encyclopedia:** The most exhaustive encyclopedia in the industry with over 800 pages of insight on every step of the process of selling, buying, or valuing a business. Please visit www.morganandwestfield.com/resources/knowledge/
- **M&A Talk:** The #1 podcast on mergers and acquisitions, produced by Morgan & Westfield and hosted by Jacob Orosz. At M&A Talk, we bring you exclusive interviews with a wide variety of experts in mergers and acquisitions, private equity, investment banking, business valuations, law, finance, and all topics related to M&A, buying, selling, and valuing businesses. Please visit www.morganandwestfield.com/resources/podcast/
- **M&A University:** Complete courses related to buying, selling, or valuing a business. Courses are led by industry experts with decades of industry experience and are designed to give you in-depth knowledge regarding every aspect of the process of preparing your business for sale, valuing it, and closing the deal. Please visit www.morganandwestfield.com/the-art-science-of-selling-a-business/

The Art and Science of Selling a Business – A Course by M&A University

Have you ever wished you could get into the head of the party on the other side of the negotiating table? Here's your chance. Join us in this nine-hour audio course as we take a deep dive into the sales process with Jim Evanger to discuss the perspective of both the buyer and seller. Jim has founded, started, operated, and sold multiple middle-market businesses and handled numerous acquisitions as a buyer, giving him deep experience on both sides of the table. The Art & Science of Selling a Business contains priceless advice for entrepreneurs of middle-market businesses with revenues up to \$100 million. This course wasn't built on theory but practical advice based on what works in the real world. Listen as Jim shares the lessons he's learned from over 20 years of experience as both a seller and an acquirer. He's already made the mistakes, so you don't have to. You'll learn how to avoid the expensive errors that can harm the value of your business or even derail the sales process entirely.

Books on Selling a Business

- **The Art of the Exit** – The Complete Guide to Selling Your Business: This is the definitive guide to planning your exit, broken down into 10 simple steps from preparing your business for sale to orchestrating the closing. Selling a \$500 million company requires an entirely different process than selling a small to mid-sized business. This handbook contains essential tips for owners of both Main Street and lower middle-market businesses valued at \$500,000 to \$10 million. The Art of the Exit is loaded with proven strategies on the art and science of selling a business. Please visit www.morganandwestfield.com/the-art-of-the-exit/
- **A Beginner's Guide to Business Valuation** – Lessons Learned from 20 Years in the Trenches. This book walks you step by step through valuing a business with \$1 million to \$50 million in revenue. You'll learn the fundamental factors that determine the value of any small to mid-sized business and simple methods for maximizing value when it comes time to sell. This practical guide is based on what I've gleaned from 20 years in the trenches selling businesses. It's written for the layman, specifically meant to address the real-world methods buyers use to value businesses. Please visit www.morganandwestfield.com/a-beginners-guide-to-business-valuation/
- **The Exit Strategy Handbook** – A Complete Guide to Preparing Your Business for Sale. This handbook demystifies the process and helps you unlock real value in your business to dramatically increase your odds of success in the sales process. Selling a home is child's play compared to selling a business. You only get one chance – and The Exit Strategy Handbook shows you how. Planning to sell is all about building a business buyers want to buy. By preparing well in advance, you'll ensure you'll receive the highest price possible. My goal with The Exit Strategy Handbook is to arm you with simple steps you can take to dramatically increase your company's value and marketability. Please visit www.morganandwestfield.com/the-exit-strategy-handbook/
- **Closing the Deal** – The Definitive Guide to Negotiating the Sale of Your Company: This book teaches you the art and science of negotiating the sale of your business. You'll learn the fundamentals of every step of the process, from the letter of intent to the closing. This essential field manual offers you an effective blueprint to maximize your negotiating leverage and foolproof strategies to optimize your deal structure and after-tax proceeds. Closing the Deal is for owners of businesses valued from \$1 million to \$50 million and contains proven tactics for avoiding the most common pitfalls in negotiating the sale of your company. Please visit www.morganandwestfield.com/closing-the-deal/
- **Acquired** – The Art of Selling a Business With \$10 to \$100 Million in Revenue: For a business to sell for what it's really worth – or even more – you need to properly prepare. But too many entrepreneurs put off planning the sale of their business until the last moment. Acquired – The Art of Selling a Business With \$10 to \$100 Million in Revenue will help you prepare your business for sale and walk you through the sales process, dodging the pitfalls along the way. With a significant amount of your wealth tied up in your business, planning your exit is one of the most critical initiatives you'll undertake. Don't go it alone. Please visit www.morganandwestfield.com/acquired/

Other Resources

- If you're interested in selling your company, please visit www.morganandwestfield.com to schedule a free consultation. Please visit www.morganandwestfield.com/schedule-a-consultation/
- If you'd like an independent assessment of your business performed, please visit www.morganandwestfield.com/sellers/step-1/

Action Item	Priority	Potential Return	Risk	Time Required	Investment Required
Valuation					
Document comparable transactions					
Management					
Build systems & infrastructure					
Build a management team					
Reduce Concentrations of Risk					
Reduce customer concentration					
Reduce staff concentration					
Reduce product concentration					
Reduce distribution channel concentration					
Financial					
Increase revenue					
Increase EBITDA					
Normalize your financials statements					
Minimize the number of adjustments you make to your financials three years prior to a sale					
Prepare backup documentation for adjustments to financial statements					
Increase gross margins					
Improve profitability					
Reduce expenses					
Increase recurring revenue					
Reduce the cash flow cycle					
Reduce working capital					
Reduce capital expenditures					
Organize your financial records					
Hire a third party to conduct pre-sale financial due diligence					
Customers (applies to B2B businesses)					
Establish relationships with large, established B2B customers					
Ensure customer contracts are assignable					
Convert customers to long-term contracts					
Track your customer metrics in a dashboard					
Track your sales pipeline in a CRM					
Build a customer database with detailed information on each customer					
Reduce personal relationships you have with customers					
Minimize customer concentration					
Operations					
Diversify your supplier base if you're dependent on any suppliers					
Make cosmetic improvements to your premises					
Improve online reviews					
Gather customer testimonials and other awards or recognition					
If you own the real estate, move it to a separate entity and pay your business the going market rate					
Negotiate options to renew for your lease and make sure the lease can be transferred on the current terms					
Prepare an inventory and equipment list					
Purge your inventory and equipment, if necessary					
Perform an equipment inspection and repair any broken equipment					
Consider paying off equipment leases					
Perform a UCC search and clear up any liens on your business					
Check to make sure your entity is up to date					
Document your intellectual property					
Create a written training plan for the buyer					
Resolve pending litigation					
Staff					
Reduce your business's dependency on you					
Replace any co-owners or family members that won't stay after the sale					
Pay all owners and family members a salary based on market rates					
Seek the approval of all partners and your spouse to sell the business					
Build out your management team					
Ensure all employee compensation is at current market levels					
Reduce key employee concentration or dependency of any key employees					
Prepare an employee manual or handbook					
Consider whether to inform your employees about the sale					
Create a retention plan and bonus for key staff					
Ask key employees to sign a confidentiality and non-solicitation or non-compete agreement					
Team					
Retain an M&A attorney in advance to help you conduct pre-sale legal due diligence					
Ask your accountant to conduct pre-sale financial due diligence					
Check with your insurance advisor to ensure you are carrying adequate coverage					
Hire a commercial real estate agent to determine an appropriate market rent if you own the property					
Check with your franchisor in advance to ensure their cooperation, if your business is a franchise					
Make sure your franchise is listed on the SBA Franchise Directory, if applicable					
Assemble your professional advisors to perform an annual audit on your business					
Finding Buyers					
Prepare a list of potential buyers who may purchase your company with complete contact information					
Prepare a list of source of potential buyers, such as industry catalogs or other publications					
Compile a list of potential publications to market your business sale in					
Financing					
Think in advance if you are willing to finance the sale					
Get your business pre-qualified for an SBA loan					
Maximize your taxable income two years prior to the sale to improve the buyer's ability to obtain financing					
Due Diligence					

Action Item	Priority	Potential Return	Risk	Time Required	Investment Required
Compile all documents that buyers typically request during due diligence					
Ask a third party accountant to perform pre-sale due diligence on your company					
Ask your attorney to make sure all your legal ducks are in a row before you begin the process					
Taxes					
Consult with your tax advisor well before the sale to mitigate the tax impact of the sale					
Confidentiality					
Consider informing your employees about the sale -- couple this with an NDA and retention bonus plan					
Consider informing your others involved in your business about the sale, such as your landlord and franchisor					