DUNN RUSH & CO.

Critical M&A Questions Business Owners Need To Ask

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Critical M&A Questions Every Owner Should Ask

ASK YOUR M&A ADVISOR

1. How many companies like mine or owners with similar circumstances have you represented, and why do you think that is or isn't relevant to how you would handle my transaction?
2. What size transactions, industries, and types of buyers do you specialize in, and why is that important?
3. Who from your firm would be on my team, and what will the individual responsibilities of these team members be day-to-day?
4. How is your process different from other investment banks?
5. Why would your process be likely to achieve the best outcome for my company?
6. How does your firm handle confidentiality issues throughout the process?
7. I have many concerns about who may find out what I am doing, who needs to be involved internally, and how/when different people internally and externally will find out or be notified about the process. What realistically needs to happen, and how do you suggest I handle these issues?
8. How do you select potential buyers? Who on your team contacts them and how?
9. How do you think different types of potential buyers will value my company? (The wrong question is "What's my multiple?" The right question is "Which buyers can assume a higher level of cash flow going forward after acquiring my company?")
10. How will you market my company? Do you set a price?
11. How will factors like third-party financing requirements, cost savings, or strategic synergies play into valuations proposed by different types of buyers?
12. What valuation methodologies do you use and why are the data points you're using relevant to a company the size of mine?
13. How will current market conditions influence the sale process?
14. Based on what you know about my company and my objectives, what issues do you see that could prevent me from reaching those goals or present obstacles?
15. Given the above, is now the right time for me to pursue a transaction, or should I wait and/or do anything before launching this process?
16. How do your fees work?
17. What other types of advisors should I be speaking to, and when should I contact them? How and when should all my advisors be communicating and collaborating?
18. What is the most important reason why your firm is the right fit for this company?