

POINTS TO PONDER FOR SELLERS

Who best understands my business?

When interviewing intermediaries to represent the sale of your firm, it is important that you discuss your decision process for selecting one. Without this discussion, an intermediary can't respond to a prospective seller's concerns.



Are there any potential buyers?

When dealing with intermediaries, it always helps to reveal any possible buyer, an individual or a company, that has shown an interest in the business for sale. Regardless of how far in the past the interest was expressed, all possible buyers should be contacted now that your company is available for acquisition. People who have inquired about your company are certainly top prospects.

Lack of communication?

It is critical that communication between the seller, or his or her designee, and the intermediary involved in the sale, be handled promptly. Calls should be taken by both sides. If either side is busy or out of the office, the call should be returned as quickly as possible.

Does the offering memorandum have cooperation from both sides?

This document must be as complete as possible, and some of the important sections require careful input from the seller. For example: an analysis of the competition; the company's competitive advantages – and shortcomings; how the company can be grown and such issues as pending lawsuits and environmental, if any.

Where are the financials?

It may be easy for a seller to provide last year's financials, but that's just a beginning. Five years, plus current interim statements and at least one year's projections are necessary. In addition, the current statement should be audited; although this usually presents a problem for smaller firms — better to do it now than later.

Are the attorneys deal-makers?

In most cases, transaction attorneys from reputable firms do an excellent job. However, occasionally, an attorney for one side or the other becomes a deal-breaker instead of a deal-maker. A sign of this is when an attorney attempts to take over the transaction at an early stage. Sellers, and buyers, have to take note of this and inform their attorney that they want the deal to work – or change to a counsel who is a “team player.”

Intermediaries are responsible for handling what is usually the biggest asset the owner has – and they are proud of what they do. Intermediaries realize that the sale of a business can create the financial security so important to a business owner. Even when a company is in trouble, the intermediary is committed to selling it, since by doing so, jobs will be saved – and the business salvaged.

About TOGA, The Oil & Gas Advisor:

The Oil & Gas Advisor's team of M&A Brokers and advisors specialize in selling businesses related to the oil, gas, and energy industry. Clients include manufacturers, distributors, services, construction and logistics firms. TOGA is USA's expert in selling propane companies. Since 1987, they have been investment banking merger and acquisitions advisors, providing certified business broker and intermediary services. TOGA's experts are award winning industry leaders with offices in Texas, Oklahoma and Pennsylvania.

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