

## Why use an Advisor for Your Acquisitions?

With the rising confidence in the marketplace, there has been a renewed interest in acquisitions. Can an Advisor help with your acquisitions? If you are considering an Advisor for your Acquisitions, here are some of the Benefits and Pitfalls to consider:

### Benefits of an Advisor:

1. **A Comprehensive Search for the Best Acquisition.** A good Advisor firm will work with you to set a disciplined approach, strategy and criteria for the best targets. Then they will conduct a discreet search on your behalf, short-listing a hundred or more prospects.
2. **Getting to a One-on-One Deal.** Many times deals will be brought to you, but they often are being seen by many other buyer prospects like you. If you have your own Acquisition Advisor, you have a good chance to get into a one-on-one situation.
3. **Achieving a Better Price and Better Terms of Sale.** An experienced Advisor firm should be able to obtain a better price – and other terms of the purchase – than if you do it yourself. They have a proven negotiation strategy and know the pitfalls to avoid.
4. **You can Stay Focused on Running your Business.** It is common for the Acquisition process to consume 50% to 75% of the CEO's time for a period of up to 12 months. With a trusted Advisor firm you can stay focused on your business.
5. **An Advisor can Discreetly talk to Competitors.** Your competitors may be potential targets but contact has to be handled properly. An Advisor can talk with several competitors at the same time without revealing your identity.
6. **Assistance with Financing.** A good Advisor firm can help you with the Financing. They should know financial institutions who are keen, as well as the current deal terms and rates.
7. **Crossing the Finish Line.** An Advisor firm helps ensure the deal gets done. They are focused on keeping the process moving. They act as a buffer between you and potential target acquisitions. And their experience helps find solutions when problems arise.
8. **A Sounding Board for You.** The Acquisition process may not be an everyday event for you. An Advisor firm can be a valuable Sounding Board for you and your team. An Advisor also provides a professional level of objectivity with your acquisitions. In addition, an Advisor firm can help with your valuation assessment.

### Pitfalls to Avoid:

1. **Are they Experienced?** Do they understand your business? Do they have operating experience? How are their people skills? What is their track record?
2. **Will the Advisor earn their fees?** The fees paid to an Advisor often include a healthy retainer, monthly work fees, and a percentage of the purchase price on closing. At Corplan our clients only pay for success, other than a small retainer.