

# Getting the Best Exit Price

*Ten Factors to consider in seeking the Best Price for Your Company.*

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You have decided to sell your company. The valuation work has been done. But you are amazed and frustrated that the value ranges from a low intrinsic value of \$17 million to \$30 million on the high end for a special interest buyer. And if an IPO were feasible, the value could skyrocket to \$40 million or more. Here are ten factors to consider in seeking the best price for your company:

- 1. Planning & Preparation.** This area in itself requires its own business plan, including plans to ensure employees and customers are going to be satisfied with the eventual Buyer.
- 2. Fresh Look.** As a sounding board for your plans and strategies, consider using an independent firm for a quick review of your company and its industry.
- 3. External Advisor.** What criteria are most important to you in choosing an advisory firm?
- 4. Economy.** As conditions weaken, exit prices quickly drop, due to an expectation of further weakness and tight debt markets. Thus, try to sell when the economy is strong.
- 5. Other Timing Considerations.** Consider your own company's seasonal factors and your industry's status. Exit prices will drop when these areas begin to turn negative.
- 6. The Packaging & Presentation Materials.** A complete, professional package is mandatory, including all of the key factors contributing to the future success of your company. While this may not impact the price you get, it will help attract interested parties.
- 7. The Process.** This area is also one that requires its own business plan, with at least twelve major steps that greatly enhance getting the best exit price.
- 8. Sectors of Buying Interest.** The Buyer prospects can be classified into the following sectors: strategic, synergistic, and financial, including private equity firms & public companies. Lower values typically come from buyers who want to buy your company on a stand-alone basis. Higher values generally come from synergistic or public company buyers who are getting something extra with the purchase of your company.
- 9. Multiple Offers.** One of the routes to get the best exit price for your company is by seeking well-timed multiple offers.
- 10. People Skills & Creativity.** To cross the finish line with your deal, often there is a requirement for strong people skills and an abundance of creativity.

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*Brian Hamilton is the CEO of Corplan Advisors Inc, a Calgary-based firm dedicated to helping Owners and CEOs of mid-size companies in Western Canada cross the finish line smiling with their Divestiture transactions.*