

## SELLING A BUSINESS...

### A Committed, Experienced Advisor To Guide You Through The Sale Process

**HT Capital Advisors, LLC** offers advice and process expertise to middle market and closely-held companies that are firmly anchored by decades of experience on Wall Street. Our advice is simply the most valuable product we provide. In addition to sharing our hard-won experience, we are committed to managing a process that is highly attentive and uniquely tailored to suit our clients' specific needs. These are the qualities that set us apart and offer the most value to our clients.

#### **The Sale Process**

HT Capital Advisors' Mergers & Acquisitions group excels in the sale of privately-held companies. We understand the issues and intricacies inherent to transactions involving mid-sized closely-held companies. We also understand that a private company often may represent the owner's life work and major asset. Given our many years of experience and track record, we believe we are uniquely qualified to represent such companies when a decision is made to sell, recapitalize or explore other such strategic alternatives.

The sale or merger of a company is often a unique transaction in the career of a business owner. The many decisions involved are different from those you encounter in the day-to-day management of your business. The potential pitfalls are different. The areas of required legal and financial expertise are different and complex. Your level of emotional involvement is different when it comes to selling your business, no matter how successful you have been managing your company.

Most business owners retain an experienced investment banker to sell their businesses. When it comes to obtaining the best price for your company and satisfying your other objectives, there is just no substitute for the specialized expertise, experience, broad network of potential buyer contacts and objectivity of a seasoned investment banker.

At HT Capital Advisors, we have a well established, proven sale process for achieving the best price and terms for our clients. We know that focus on all aspects of the sale process yields the highest value. We tailor each sale assignment to the objectives of the owner. The sale process we follow for each assignment includes the following steps:

#### **1. Understand the Seller's Objectives**

HT makes every effort to review and understand the personal and financial objectives that you hope to achieve in selling your business.

## **2. Prioritize Objectives**

In particular, HT attempts to determine the priorities that you attach to the objectives of opportunity, liquidity, and security, so that all aspects of the transaction can be structured in accordance with those priorities.

## **3. Valuation of The Company**

After gaining a thorough understanding of your company and its prospects, HT will prepare a target valuation range for the sale. Assuming agreement on the valuation range, the sale process would then move forward.

## **4. Profile the Potential Buyer**

Based on this understanding of the seller's objectives, we profile the type of buyer most likely to satisfy them. Among the criteria considered are the following:

- small company vs. large company
- potential business and cultural fit
- willingness to acquire less than 100%
- whether the buyer is publicly or privately owned
- domestic buyer vs. foreign buyer
- financial strength of potential buyer
- the buyer's track record in closing

## **5. Identify the Buyer Universe**

Once the buyer has been profiled, we review specific buyers with the seller to find the best match for the seller. We draw upon our domestic and foreign client contacts, extensive in-house buyer databases, and relationships with law and accounting firms. With the assistance of our contacts and resources, we identify specific buyers, develop a dossier on each one, and work with our client to select those to be contacted. This procedure yields a tightly constructed universe of qualified buyers.

## **6. Preparation of Confidential Descriptive Sale Memorandum**

Concurrent with the above steps, we would prepare a descriptive memorandum, which is either brief or completely detailed depending upon the desired level of confidentiality and other parameters. The descriptive memorandum is reviewed with the seller, and its other advisors. When all parties are satisfied, the memorandum is finalized and given to potential buyers approved by the seller

upon receipt of a signed confidentiality agreement. This document is tailored to be an accurate, compelling presentation of the company.

## **7. Structure the Transaction to Obtain the Optimum Price, while Achieving Other Objectives**

Having matched the seller's objectives with specific buyers, we assist in structuring the transaction considering the ever-changing tax, accounting, legal, and regulatory environments. In order to obtain the maximum price, we consider various structural factors that relate to the seller's financing and other considerations including whether any or all owners will remain with the business post acquisition. The following are some examples of the items that must be considered:

- ❑ the form of payment: cash, stock, notes, assumed liabilities, earnouts or other contingent payments
- ❑ the form of sale: stock or asset transaction
- ❑ management consulting agreements
- ❑ non-compete agreements
- ❑ labor with union agreements
- ❑ leases with related-party-owned real estate

## **8. Negotiate and Close**

We orchestrate negotiations with potential buyers to achieve the best price under the best possible terms. It is at this crucial stage that we use our negotiating skills and experience to transform the potential buyers into committed buyers. This is where the skillful orchestration of the negotiation process can lead to the very best price, terms and structure for the seller.

During negotiations, we advise on appropriate tactics, counsel on the need for flexibility in negotiations and provide a buffer, which helps avoid negotiation deadlocks to move the process forward and achieve the seller's objectives. The seller retains all the control of negotiations and provides input and approval to all negotiating positions and responses.

For additional information, please contact:

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