

Maximising value on the sale of your business



Charles Whelan, managing partner of HW Corporate Finance



Nigel Craig, partner in BLL's corporate and commercial team



Vicky Fox, tax partner at Haines Watts

Haines Watts, one of the Thames Valley's leading accountancy firms, and regional law firm Blake Lapthorn Linnell combined their expertise at an event dedicated to helping owner-managers tackle one of the most important business decisions. 'Maximising Value on the Sale of your Business' was the subject of a seminar co-hosted at Raymond Blanc's restaurant Le Manoir aux Quat' Saisons near Oxford.

This annual seminar, held in morning and afternoon sessions, was designed to help delegates fully assess the value of their business, judge when the time is right to sell, structure the best deal and handle negotiations effectively. Delegates also had the opportunity to arrange a free follow-up meeting with a member of the host firms' teams.

Main speakers were Charles Whelan (managing partner of HW Corporate Finance), Nigel Craig (partner in BLL's corporate and commercial team) and Vicky Fox (tax partner at Haines Watts, who dealt with all the tax issues relating to a sale). Craig commented: "This event was a fantastic opportunity for owner-managers in the region to get a real insight into how to

get it absolutely right when it comes to such a major issue as selling a business. Getting it wrong can spell disaster."

He urged delegates to put time and effort into good solid preparatory work. "This will enable you to continue to control the process and the timetable right down to the point of sale. This is the secret to maximising value."

Whelan said: "Consider your reasons. Many owner-managers decide to sell either because they have been approached directly or because they feel the time is right, only to change their minds at the 11th hour. This can be very risky as it diverts their attention from the business and could sully the reputation of the business for a future disposal, not to mention wasting a considerable amount of management time."

He said people should explore the possibilities of expansion/acquisition and a partial exit. "Maybe raising bank debt and/or private equity could enable you to extract some cash whilst continuing to grow the business. Also, is the market at its optimum? Selling near the top of the cycle will ensure that you get maximum value, but leave it too late and you

will lose out quickly."

He added: "Often the business is worth more if split into parts than sold as a whole. If there is a possibility that such a course of action could be indicated, then careful planning is needed to ensure that the parts can be easily be disaggregated if required.

"And think laterally about potential buyers. Buyers come in all shapes and sizes – they range from the more obvious multinational competitor through to companies in parallel markets (technologically or geographically). With significant funds available for investment, it is now becoming more common to see financial buyers in an advantageous position outbidding trade buyers. The key here is not to discount any buyers too early – you may be surprised later on."

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