

What to expect when selling your business

Selling your business is not always straightforward. Many owners embark on the journey with high hopes, only to lose steam when they experience false starts and missed expectations. It should be an exciting time, not a confusing one, so how can you plan for a smooth and successful road ahead?

Whether you're selling your business now or five years from now, knowing what to expect and how to prepare for this pivotal moment in your life will give you the confidence to move forward and make decisions without worrying about what could go wrong.

Based on our experience, we follow a proven five-step process to ensure every transaction is a success.

1 Getting to know each other

This is a period of mutual discovery. Our intention is to develop a relationship, understand your business, share more on who we are, and gather what we need to move forward. During this step, we will:

- Have an introductory call
- Sign a confidentiality agreement
- Collect basic company and financial information
- If there's a mutual fit, you'll receive an initial valuation within 1 week

2 Firming up an offer

This is a period of deeper discovery to ensure all questions are answered and we have mutual alignment on next steps. This involves:

- 2-3 additional meetings with you/your team
- Issuing a Letter of Intent (LOI) outlining the terms that will end up in the Purchase Agreement, including valuation and legalities

3 Conducting due diligence

Once the LOI is signed, our team will guide you through our streamlined due diligence process. Our expertise and experience in this area can give you confidence that we will close together — on time. This is a period of exclusivity that typically lasts 90 days. It breaks down as follows:

0-30 days

- Focused on understanding the business in-depth: financials, technology, people, and strategy
- Often includes spending time together in-person
- Surfacing any challenges early on to ensure a no-surprise experience later

30-60 days

- Completing confirmatory and follow-up items
- Starting the legal process, including a first draft of the Purchase Agreement

60-90 days

- Finalizing the Purchase Agreement and Disclosure Schedules
- Aligning on employee communications and often hosting a company town hall

4 Closing the transaction

This is the final step of the sale process. It's time to celebrate! We will officially welcome you to the Banyan family and start to integrate key administration and financial processes, in addition to:

- Finalizing contracts
- Signing the Purchase and Sale Agreement (PSA)
- Transferring funds and closing

5 Looking forward

Once the deal is closed, we'll start to look to the future. We believe that empowering management teams is the best way to operate because they know their business and customers best. Our goal is to share best practices, offer resources, and provide support.

- Tap into Banyan's shared services (recruiting, finance, HR, legal)
- Your leadership team receives support and mentorship from a Banyan Operating Partner in order to drive ongoing growth in the business

5 tips for a successful selling process

Seeing how the process has worked for others can make the end goal seem more realistic and achievable. Based on their recent experience, former owners, Vaughn Mulcrone and Nina Rosete shared their advice for owners who are navigating the sale process.



Vaughn Mulcrone
Former owner, Next Chapter Technology



Nina Rosete
Former owner, Data & Design

DATA + DESIGN



1 Find the right fit

Valuation will always be important, but what happens to your company, your team, and your customers should be carefully considered too. Ask questions. Speak with other owners who have sold to that buyer. Before making any big decisions, you'll want to have confidence in who you're working with and how they'll carry on your legacy.

2 Choose your team wisely

Identify key people on your team, or external advisors, who you can rely on to be involved throughout the process. This may include technical, financial, or legal support.

3 Be transparent

Disclose the good and the not-so-good. Being open and honest throughout the process will help to prevent any surprises or misunderstandings in the later stages of the sale.

4 Hire an experienced M&A attorney

The legal part of the transaction will be a significant lift, so you'll need to involve someone that truly understands the acquisition process and can advise you along the way.

5 Allocate the time and have support

Selling your business can be a time-consuming, and often emotional, process. Allocate the right amount of time and energy to successfully meet deadlines and deliverables, but don't let it take over your life.

Preparing to sell your business?

We provide a permanent home for enterprise software companies with tenured teams, happy customers, strong market positions, and track records of profitability. And, we're proud to be 100% referenceable by our business owners. While the decision to sell your business is never easy, the process can be.

Let's connect for a quick, confidential chat about how we can help.

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