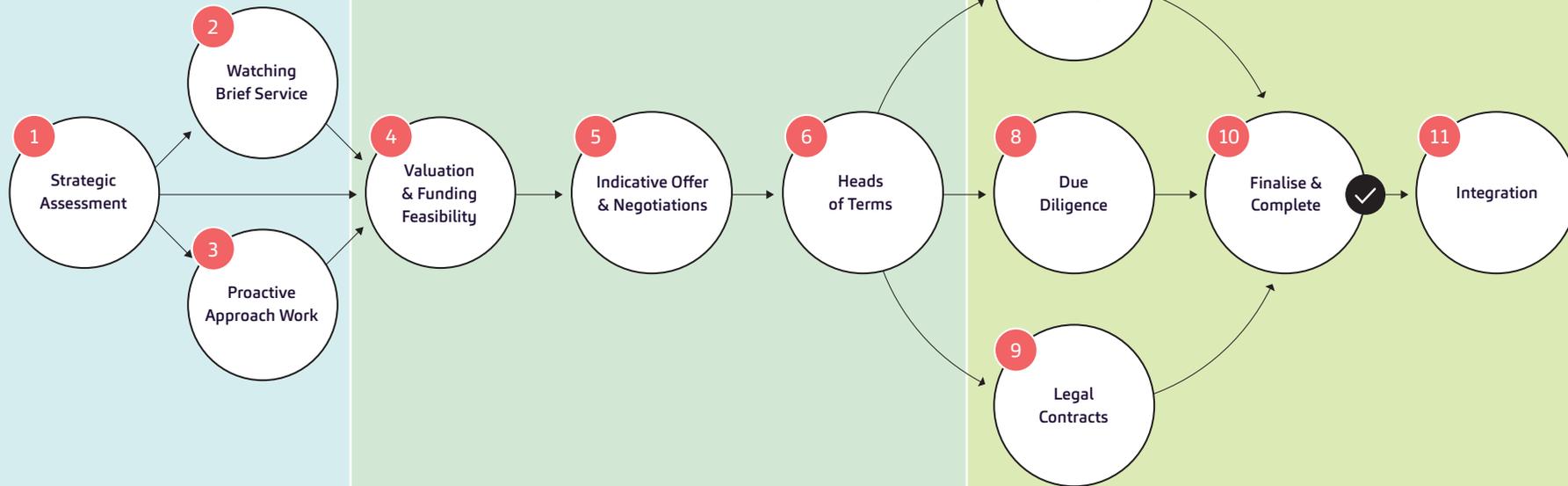


# The buying process



## Target identification phase

### 1. Strategic assessment

The first step is for us to understand our clients' aims and objectives for the proposed business acquisition, so we can establish the search criteria to feed into our Watching Brief Service and / or Proactive Approach Work. In some instances, the acquirer will already have a target business in mind, and may have commenced exploratory negotiations, in which case we will move straight into the Negotiation Phase.

### 2. Watching brief service

Matching against the specific search criteria, we can provide prospective buyers with details of the most appropriate businesses for sale. No fee is charged for this service unless it results in the completion of a deal, and any such fees can be offset against our other services provided in relation to the acquisition process. To register your details for this service, please get in touch.

### 3. Proactive approach work

Based on your search criteria, we can identify and profile potential 'off-market' acquisition targets and provide you with a bespoke report summarising their potential suitability. Then, with your approval, we can approach these businesses on your behalf - anonymously if desired - to establish whether they would be interested in exploring a potential sale.

## Negotiation phase

### 4. Valuation and funding feasibility

Having collated information from the sellers, we will carry out a brief review of the business in order to gauge its likely value. If financial support is needed to make the acquisition, we will help establish the likely investment required and prepare a brief synopsis for circulation to potential funders in order to gauge their interest.

### 5. Indicative offer & negotiations

We can help with the drafting of a written indicative offer letter, and then undertake all the negotiations on your behalf with the seller and their advisors, ensuring we get you the best possible result.

### 6. Heads of terms

Once a deal is agreed in principle, the main terms are set out in a short document, often referred to as Heads of Terms or Heads of Agreement. This is not usually legally enforceable, although clauses covering confidentiality and exclusivity usually are.

## Deal completion phase

### 7. Obtain funding

With a deal agreed in principle, it is time to refer back to the potential funders and make a formal application. We can assist with this process, in particular with the creation of a business plan and / or financial forecasts, as well as introductions to suitable investors.

### 8. Due diligence

A crucial part of the acquisition process, it is essential to undertake a bespoke investigation into the target business to ensure you know exactly what you are buying. This can lead to the need to renegotiate elements of the proposed deal, and in certain instances it can result in a reassessment of the benefit of completing the deal itself.

### 9. Legal contracts

Using Heads of Terms as a guide, the buyer's solicitor usually prepares the legal contracts needed for the deal. This will include the agreement of warranties and indemnities given by the seller to protect the buyer after the deal has completed. It is not unusual for several drafts of these legal documents to be prepared before negotiations are agreed.

### 10. Finalise and complete

In order to reach a swift and efficient deal completion, it is important to co-ordinate the work needed for the funding, due diligence and legal contracts. Our experienced team of can help manage this process.

### 11. Integration

One of the most important considerations of buying a business is integrating it into your existing operations. This requires thorough planning before the deal completes, and focused implementation and regular monitoring afterwards. We can provide guidance and support throughout ensuring you maximise the synergies and economies of scale arising from combining the businesses.