
THE HEIM GROUP

Middle Market Investment Bankers

THE NECESSITY OF CONFIDENTIALITY

When the first thought of selling your business begins to germinate please know that confidentiality is of the utmost importance. If you are thinking of putting your company on the market you are entering into a real balancing act. On one side, the more people who know about your desire to sell, the more interest is garnered. On the other side, the more people who know the larger the chance it will be leaked to your customers, vendors, employees and, worse, your competitors.

If these folks get wind of a possible sale, they can feel a variety of threat levels. These can be some possible consequences of leaked information:

Customers:

- ◆ May take their business elsewhere thinking you are in trouble

Vendors:

- ◆ May impose stricter credit terms, or refuse to sell to you, thinking your credit status could be at risk

Employees:

- ◆ May quit their jobs thinking the company is in jeopardy or that a new owner may not keep them

Competitors:

- ◆ May float the rumor you are for sale to their advantage with your customers, vendors and employees

To ensure that only you and serious, vetted potential buyers know your company is for sale, you must use the services of a professional business intermediary. Your CPA and attorney do have a role in the sale of your company, but they are usually not the best qualified to handle your transaction. They may have a vested interest in you *not* selling as they would lose a client, and they are not usually knowledgeable of the nuances of business brokerage.

An experienced M&A advisor will:

- ✓ Require strict and legally binding confidentiality agreements before releasing your information
- ✓ Know how to generate the most interest with potential buyers while protecting your identity
- ✓ Deal only with decisions makers – those who can ‘write the check’
- ✓ Divulge only the minimal information needed at the appropriate stages of negotiation

Confidentiality is a very controlled process that will prevent the people who don’t need to know you’re for sale from knowing until the deal is done.

We at The Heim Group, Inc. are experts at guarding your business while taking you through to a successful close. Please give me a call, no matter when you are thinking of selling your business. I’d be more than happy to discuss your options, at no charge to you. **Tina Marino 760-271-8331**

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