
Sell Your Business for Maximum Value:
Surround Yourself with People “Better Than You”



Exceptional business owners understand a critical component of success is building a strong team of advisors. A collaborative team can unlock the potential to maximize value by leveraging the expertise of multiple professionals. Additionally, it can support the ability to overcome difficult challenges and provide alternative viewpoints as unforeseen obstacles arise. DLA Companies encourages the intentional construction of a skilled team and knows it can make all the difference.

At a minimum, a business owner’s transaction team should include a CPA who is a tax expert, an attorney experienced in business transactions, and an advisor experienced in negotiating business transactions. Let’s review the importance of each briefly. A CPA with tax expertise is an important member of the team in the early stages of planning.

The type of business entity can affect the tax implications significantly and should be carefully considered. While changes to the legal entity may not be considered appropriate given the anticipated timing of an exit, the options and implications should be clearly understood. A seasoned tax professional will be able to articulate the tax impact of various transaction scenarios. We recommend meeting with your tax advisor to discuss potential pricing structures and the tax impact of

various options. Strategies should be discussed prior to marketing the business, to assess ways that can help manage the tax liability.

An attorney with recent and relevant experience in negotiating purchase agreements for the sale of a comparable sized business can be one of the most valuable members of the deal team. The wrong attorney can be your biggest obstacle to getting a deal done. Attorneys come in all shapes and sizes. They can be a generalist, or they can be a specialist, depending on their chosen field and client profile. Transaction attorneys are seasoned at negotiating business

transactions and are experienced with transaction provision wording. This can sometimes be challenging for an attorney who

**Assembling a highly skilled deal team can
unlock the potential to maximize the after-tax
proceeds of your business sale.**



Questions to ask a CPA or accountant include:

1. What will the tax consequences be if the business is sold as an assets sale vs a stock sale?
2. How does the tax liability change if the transaction structure includes an earnout or seller note?
3. Can a noncompete agreement or consulting agreement be used to lower my tax liability?
4. What are some ideas that can lower the tax?
5. How many business sale transactions have you been involved in, and when was the most recent one?
6. Are there upcoming changes to the tax law that should be considered with regards to timing of a transaction?

Qualifying questions to ask an attorney include:

1. How many business transactions have you negotiated?
2. What size companies?
3. What type of companies?
4. How many transactions have you been involved in, in the last five years?
5. Which one was the most recent?
6. Were the transactions sales stock sales or assets sales?
7. What do you find is the most challenging part of the negotiation?
8. What are the estimated legal fees associated with a transaction this size?

has only worked on a few business transactions over the course of their career.

Assembling the right deal team, at the beginning of your planning process, is an important success factor. Just because you have a CPA or attorney that has been with you for years and knows your business, it does not mean they are the right resource to advise you through a business

transaction. Advisors should be told that you are planning to interview professionals to build your deal team. In the event the existing CPA or attorney is not considered the right advisor, and they will often deselect themselves if they know you are interviewing and comparing, they can still stay involved on an as-needed basis to help maintain continuity with traditional perspectives.

The exit planning process is complicated, with many moving pieces. To exit successfully, you need to have people who specialize in those specific areas on your team. The right people will not only see you successfully through the process, but they will also give you peace of mind while you prepare for your next phase of life.