

Before the Deal: A Checklist for CEOs

There are many moving parts to manage as you begin the process of selling your business or raising capital. This high-level checklist covers key steps and considerations as you approach a potential deal.



Determine an Exit Plan

- Articulate your personal goals**
- Decide on your ideal timeline for exit**
- Prep for the possibility of personal challenges (tax and wealth planners can help)**

Read more

- [The 4 Phases of a Successful Exit Plan](#)
- [Why Every Business Owner Needs an Exit Plan](#)
- [Exit Planning Is Not the End](#)



Engage an Advisor or Investment Banker

- Look for specific answers from advisors to questions like:**
 - "How will working with you add value?"
 - "What does success look like for you?"
 - "What work have you done with companies like mine? What issues have you encountered?"
 - "What's the biggest challenge for my company?"
 - "Who are common buyers for businesses like mine?"
 - "How are companies like mine typically valued?"
 - "What should I be doing now to prepare my business for a sale or capital raise?"
- Consider each advisor's level of geographic/industry specialization**
- Evaluate fee structure (normally a combination of a retainer and success fee)**
- Look for chemistry**
- Structure engagement letter**
 - Fee structure
 - Exclusivity
 - Length of engagement
 - Rights of termination
 - Tail period
 - Expenses

Read more

- [5 Questions Family Businesses Should Ask Potential M&A Advisors](#)
- [M&A Advisors Proven to Improve Valuations](#)
- [M&A Advisors: The Overlooked Value Maximizers](#)



Create a Deal Team

- Advisor or investment banker**
 - Expert who can guide the transaction process
- Attorney**
 - Specialist who can protect your legal interests
- Board of directors**
 - Team who can advise on strategy
- Finance team or accountant**
 - Specialists who can protect your financial interests
- Wealth manager**
 - Guide financial transitions from a personal perspective
- Internal team members**
 - CEO, CFO, CMO, COO, etc.
- Other transaction or industry-specific consultants**

Read more

- [How Deal Teams Increase the Odds of a Favorable Exit](#)
- [Building the M&A A-Team](#)
- [The CEO's Guide to Building a Deal Team](#)

The following two sections break down unique considerations for CEOs who are selling their businesses vs. raising capital. No matter your goal, an advisor can help ensure that you're equipped with the information you need to successfully engage potential acquirers or capital providers.



Selling Your Business

- Organize historic financial statements and complete a third-party review of financial results with an accountant**
- Define potential options and exit strategies**
 - Consider strategic vs. financial buyers and other possible transfer methods (e.g., internal sale).
Would you consider a partial purchase leading to a whole purchase?
 - Think about your plans post-sale. How involved do you want to be, for how long? What are your goals for your employees?
 - Think through your position on a no-shop agreement: when are you willing to sign one and with what terms?
- Work with an advisor to set a valuation range and consider pre-sale value enhancement efforts**
- Craft a company teaser**
- Consider market factors and timeline**

- Do buyer research and build the buyer list**
 - Consider your order and strategy for approaching the market
- Decide on your deal-breaker terms as relates to value and other areas**
- Decide to what extent to involve your internal team and evaluate potential risks**
- Evaluate and mitigate risks relating to critical employees or customers**
- Work with an advisor and accountant to gather information, collect data, organize financials, and prepare marketing materials. Your CIM, or pitch book, will likely contain:**
 - Executive summary
 - Company history
 - Sales process and/or manufacturing capabilities
 - Management team structure
 - Growth opportunities
 - Competitive landscape or industry outlook
 - Intellectual property overview and/or company assets
 - High-level financials (preferably five years or historical data and projections, if available)
- Prep for due diligence**
 - Legal
 - Financial
 - Strategic

Read more

- [The Complete Guide to Selling a Business](#)
- [11 Stages of Selling a Company](#)
- [13 Key Considerations for Selling Your Business Internally](#)
- [7 Things to Consider Before Selling Your Business](#)



Raising Capital

- Organize historic financial statements and complete a third-party review of financial results with an accountant**
- Determine whether to raise debt, equity, or some combination. Consider questions like:**
 - How will this impact my capital structure (ownership)?
 - How will it affect my bottom line?
 - Am I ready to bring on a partner?
 - Will I be able to keep up with regular payments?
- Prep your pitch**
 - Business model and competitive differentiation
 - Strategic plan
 - Market size
 - Team
 - Financials

Identify the best potential capital sources. Consider:

- Experience
- Structure
- Price
- Focus
- Control
- Culture

Read more

- [3 Essential Preparations for Raising Growth Capital](#)
- [The CEO's Guide to Types of Growth Capital](#)
- [How Capital Can Accelerate Your Growth Strategy](#)