

Creating Your Dream Team?Choosing the Right Advisors

When it comes to buying your own business, experience matters. The advisors you choose to help you will have a tremendous impact on how smoothly the process runs and whether or not the deal even closes. That's why it's particularly important to create the right team.

The process of buying your business will probably include two or three advisors for each party and will include a lawyer, an accountant, and possibly a broker/investment banker. The lawyer will propose a deal structure, draft the agreements, take care of negotiations and ensure the legality of all agreements. The accountant will review the business's financial records, assemble new or adjusted financial statements, conduct financial due diligence, and give tax advice. The broker/investment banker can prepare the offering memorandum, market the business, and keep the transaction on track.

When hiring your advisors, you'll want to pursue professionals with specific expertise in mergers and acquisitions, which may mean hiring people other than your current lawyer and accountant. Choose them based on their experience and your comfort level with them. Expertise in your specific industry is another plus for an advisor, because while sales may be similar, every industry has its own peculiarities and technicalities. If any industry specific issues should arise, that knowledge will come in handy.

Working with a broker or investment bank can help keep things moving forward, since their entire focus will be on keeping the deal on track. Not only can they help with negotiations, but intermediaries also bring their knowledge to the table and can help prevent flare-ups from becoming blow-ups.

While your dream team is certainly important in the process of helping you buy a business, it's important to remember that ultimately, all decisions are up to you. They'll offer sound advice and guidance, and though it's in your best interest to at least consider their opinions, if you feel they've been unnecessarily stalled on a problem or issue, you have the right to direct them toward the outcome you desire. At the end of the day, you're going to be the owner of this business?and you're going to have to make tough decisions.