

Acquisition Process: Difference In Seller/ Buyer Perspective

Description	Seller Preference	Buyer Preference
Identification of prospects	Thorough exploration; count high; multiple “categories” of prospective buyers	Quiet and few
Confidentiality	Tight agreement; no calls allowed direct to office	Expect tight agreement-OK (smart buyers guard well-make staff aware of obligations for secrecy)
Use of intermediary	Smart, honest, and tough advocate-need this	Like to see (good sign for real intent to sell), but hope they make connection and then disappear
Information exchange	Honest and thorough (although for competitors certain info may be guarded or provided “blind” – without certain details)	Hard basic info, but leaves a few “holes” (ie. projections, lack of EPA info, late sharing of some data -leaves wiggle room for later)
“Asking price”	Don’t define-let market set price	Probe as early as possible; get sense of likelihood to complete and intensity of competition
Plant or facility tours	Few and quiet (no talks with staff)	As thorough as possible (as much staff interaction as is allowable)
Letter of intent	Don’t need one/ don’t want one without deposit; if required, need “out” clause for changes in price or terms; also need all possible detail	Want one with “stop-shop” in place as quickly as possible; also, as vague as possible is preferable (leaves room to enhance deal later)
Due diligence	No customer contact; no employee contact; offsite record review	Talk to customers; probe employees; free range to review onsite info
Definitive agreement negotiation	Intermediary “middle man” to smooth communications, be seller advocate; strong M&A attorney on seller’s side	Attorneys doing all (prefer “sign here” approach) (usually attorneys for buyer are more experienced than for seller)