



SELLING A BUSINESS

Jerroms
CORPORATE FINANCE

WHY USE A SELLSIDE BUSINESS ADVISER?

Selling a business can be a complicated process and not one you should consider without taking professional help and advice.

The first (and most important) step is ensuring you have the right team of advisers on side to ensure you not only get the best possible terms for your sale but to also support you through every step of the sale process.



HELPING YOU TO DEVELOP A CLEAR PLAN & PUT IT INTO ACTION

As a business owner, the decision to sell your business is probably the biggest decision you will ever make.

There are several reasons you may have come to that decision. It could be that you are about to retire, sell to a larger corporation to assist in its growth or sell to your management team. Whatever the specific reasons, selling your business can be a difficult, complicated and emotional experience, especially if you're not properly prepared.



PLANNING & IMPLEMENTING YOUR EXIT STRATEGY



When considering selling a business, no matter how large or small, achieving the best possible terms is your primary concern.

There are many things to consider, including:

- How and when to sell
- Optimising the value of the business
- Identifying and screening targets for suitability
- Engaging the potential buyers
- Getting the Heads of Terms right
- Managing the sale/due diligence process
- Implementing Tax planning measures
- Emotional/Technical/Project Management Support



PHASE 1

PLANNING



Understand vendors
objectives



Research (potential
buyers/comparable
transactions)



Agree valuation/deal
structure expectations



Agree target buyers list



Strategy Review
(risks, opportunities,
tax and other
considerations)

VALUATIONS



Business owners are unlikely to contemplate a sale without first having obtained an estimated valuation but it is also important to understand the metrics that drive that valuation.

If the valuation is driven by the fixed assets of the business then making sure that those assets are well maintained, secured and insured is an important consideration. If the valuation is driven by the people assets of the business then making sure that those people are happy, properly rewarded and fully engaged in the process will aid the outcome.

If the valuation is driven by the business underlying earnings or its annuity income streams, then focusing upon maximising those drivers will yield the best outcome.



Jerroms Corporate Finance can provide an expert, independent and objective valuation report. The value of a business can be driven by a variety of factors and often fits within a spectrum or range of possible values. Each valuation project is unique but will commonly take into consideration more than one valuation methodology.

Reports often consider a spectrum of values based upon the public market valuation of similar entities, the value of recent similar sector transactions (sales/purchases), asset values, earnings values, annuity/repeat income multiples and a variety of other tried and tested valuation techniques.

INTELLECTUAL PROPERTY & INTANGIBLES



The valuation of intellectual property has assumed far greater relevance in recent years. Jerroms Corporate Finance has acquired considerable valuation expertise in this field, specifically in:

- Copyright and Design Rights
- Trademarks
- Patents
- Registered Designs
- Film Rights
- Brands
- Royalties Receivable
- Licensing and Royalty Agreements
- Subscription and Service Contracts
- Franchises
- E-Commerce Businesses
- Computer Software
- Programme Libraries
- Back Catalogues



PHASE 2

ENGAGEMENT WITH POTENTIAL BUYERS



Initiate sale mandate process

Agree value drivers and customised sales process

Prepare selling package (taster letters, confidentiality agreement and information memorandum)

Select and contact prospective buyers

Solicit letters of intent and then evaluate



PHASE 3

GETTING THE TERMS RIGHT



Agree short list



Meetings with
management



Preliminary negotiations
and structuring (manage
auction process)



Evaluate and secure
details on offer terms

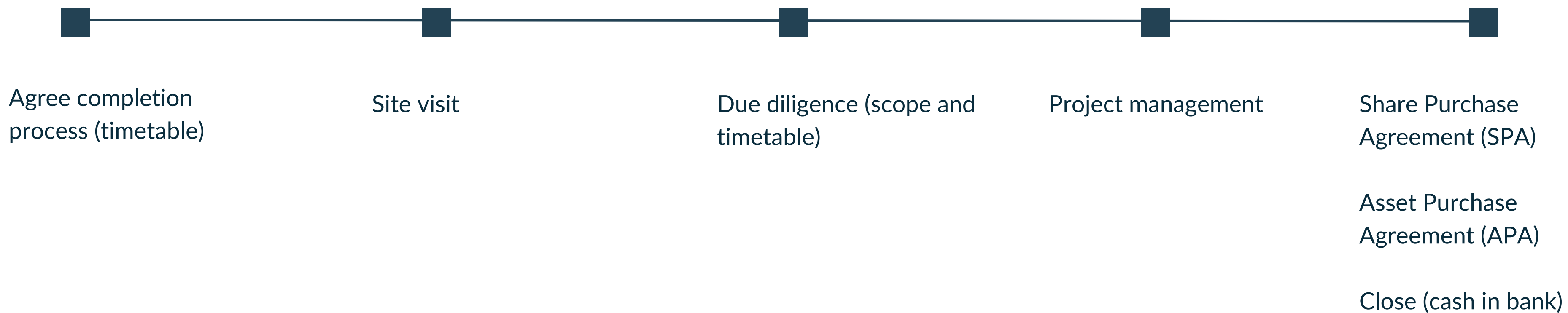


Select preferred
buyer and agree
heads of terms



PHASE 4

MANAGING THE PROCESS



DUE DILIGENCE

Due diligence is an important factor in the successful sale of a business. It provides an independent assessment which can answer potential questions and reassure prospective buyers. These reviews can help to establish a fair sale price and identify risks early in the process.

Our due diligence reports aim to:

- Provide the vendor with a tool to further the selling process
- Enable the vendor to address potential concerns before purchasers are involved
- Ensure that potentially sensitive information is dealt with objectively

Our due diligence experts are well versed in preparing these reports. We understand issues from the vendor's perspective but are also able to advise on what prospective buyers will be looking for.



TAX PLANNING

The sale of a company almost always gives rise to some form of potential capital gains tax liability. We work closely with our team of experts at Jerroms Miller Tax Specialists to help you fully understand and optimise the tax on the sale of a business and how you can maximise financial value when sealing the deal.

We offer help and advice on the following:

- Annual Exemptions and their optimum use
- CGT tax planning and the engagement of spouses
- CGT tax planning and pension contributions
- Loss Relief(s)
- CGT Deferrals
- Venture Capital Trusts (VCT)
- Entrepreneurs Relief (ER)
- Enterprise Investment Scheme (EIS)
- Seed Enterprise Investment Scheme (SEIS)



TOP TIPS:

To help prepare you more fully, here are some tips to guide you through the process

GET THE RIGHT HELP

This is the first and absolutely the most important step. Having the right team of accountants, solicitors and advisers on your side, working with you to make sure you get the best possible terms for your sale, always makes a huge difference to the successful completion of your transaction. The first thing we do is to review your corporate strategy with you, make absolutely sure that disposal is the correct decision, the corporate structure is optimised to secure the best value and to mitigate tax and then we project manage the whole process for you, from valuation and due diligence through to completion.

UNDERSTAND THE DRIVERS OF VALUE

Business owners are most unlikely to contemplate a sale without first having obtained an estimated valuation but it is also important to understand the metrics that drive that valuation. If the valuation is driven by the fixed assets of the business then making sure that those assets are well maintained, secured and insured is an important consideration. If the valuation is driven by the people assets of the business then making sure that those people are happy, properly rewarded and fully engaged in the process will aid the outcome. If the valuation is driven by the business underlying earnings or its annuity income streams then focussing upon maximising those drivers will yield the best outcome.

REACHING OUT TO ALL POTENTIAL PURCHASERS

It may be a cliché but you will only sell your business once and to ensure that the best exit outcome is achieved it is important to research all the appropriate and potential buyers. Jerroms Corporate Finance will help you identify and assess prospective purchasers including those that may be located overseas. As a member of the Russell Bedford global network of partners we have access to 700 Partners, 6500 staff, 350 offices spread across 100 countries Worldwide. If the ideal buyer of your business is based anywhere from Algeria to Zimbabwe; we will find them.

CONFIDENTIALITY

For any number of reasons it is imperative that discussions on a possible sale are conducted under the veil of an appropriate cloak of confidentiality. Jerroms Corporate Finance has the experience of many years and a great many transactions in dealing with this issue. Potential buyers will not even know for sure that it is your business that they are considering until a full confidentiality agreement is in place and information shared with a potential buyer is carefully anonymised or redacted until the very last stages of the transaction process.

TOP TIPS:

MAKE TIME FOR PURCHASER ENQUIRIES

Having found a potential buyer, gained their attention and outline terms have been agreed the prospective buyer will want to undertake further detailed due diligence. Reactive management of this process will consume valuable management time and drag out the completion process. Jerroms Corporate Finance offer a proactive, virtual data-room disclosure process. The proactive management of the virtual data room disclosure and timely compliance with the buyer's requests will save time in the long run and make the whole sale process run more smoothly.

ABIDE BY THE PURCHASER'S WARRANTIES

A purchaser will often require that the seller supply warranties and indemnities, which are contractual guarantees that all relevant and pertinent information to the transaction has been provided. The seller will be called upon to make full disclosure in each case. We can help guide you through what can be a lengthy and stressful process, enabling you to make full and active disclosures.

GET THE BEST FROM NEGOTIATIONS

Jerroms Corporate Finance are experienced negotiators. We work out your priorities and seek always to get the best possible results for the vendor.

GET THE BEST TAX ADVICE

Appropriate tax advice is absolute essential. The sale of your business or company can be made tax efficient in a number of different ways. Are you eligible for entrepreneurs' relief? Have you taken dividends into consideration?

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Jerroms advise estate agents on management buyout

11 August 2022



Solihull-based Jerroms Corporate Finance has advised Paul Carr Estate Agents on a management buyout.

The deal was led by Paul Carr's managing director, David Alex year

JERROMS ADVISES ON SOFTWARE FIRM ACQUISITION

Paul 15 Sep 2022 Midlands Deals



Paul Carr, founder of Paul Carr Estate Agents said: "right time for me to hand over the company to the"

"Putting in place a succession plan that ensured cor am confident that they will continue to enjoy great :

"The on-going advice and support offered by the Je transaction has been invaluable and was handled pr

Paul Heaven, director, Jerroms Corporate Finance, s supporting Paul Carr through the MBO process and ambitions for the business. I am confident through business."

Legal support for Paul Carr Estate Agents was provi

Solihull-based Jerroms Corporate Finance has provided support to the owners of Sicon Ltd on its sale to an international enterprise software and services specialist.

Sicon, a family-owned business, provides additions and services for Sage 200 within a number of sectors, including manufacturing, construction, distribution, and warehousing.

It has been purchased by Netherlands-headquartered Total Specific Solutions (TSS), which expands its portfolio of independently managed software companies based in the UK.

Paul Heaven, managing director of Jerroms Corporate Finance said: "By collaborating and utilising the knowledge and expertise available from our teams at Jerroms and Jerroms Miller Specialist Tax, Sicon were able to optimise tax implications associated with the deal to ensure it better met their needs."

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Richard Youngman, managing director of Sicon, added: "The team at Jerroms Corporate Finance ensured we fully understood the process step-by step, so that we were able to make informed decisions. We were very impressed with their professionalism and commitment throughout.

"This guidance along with the advice and support we received from within the wider Jerroms Group was instrumental in us gaining the positive outcome we achieved. This acquisition will enable us to continue to provide an excellent service to our customers, ensure the growth of the business and offer security for our staff."

Legal support for Sicon Ltd was provided by Hawkins Hatton.

TESTIMONIALS

Another successful transaction for Jerroms Corporate Finance - providing sell-side advisory support to poundshop.com.

Thebusinessdesk.com

Poundland has completed the purchase of online discount retail business Poundshop.com.

The acquisition of Poundshop.com for an undisclosed sum is another step in the transformation of Poundland and will provide the infrastructure to power a national roll-out of its own pilot ecommerce operation.

Founded in 2014, Poundshop.com has grown to be the UK's largest online-only value retailer.



David Holmes • 2nd

Founder and CEO at Boiler Guide

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Very excited to be joining the exceptional team at [Leads.io](#) to help accelerate their Marketplaces growth, and extremely proud to see everything the [Boiler Guide](#) team have built recognised in this acquisition.

Many thanks to [Rick Smyth](#) and the team at [The Wilkes Partnership Solicitors](#), [Paul Heaven](#) at [Jerroms Corporate Finance](#) and [Iain Wright](#) at [Claritas Tax](#), it was a pleasure working with you all.

Thanks also to the Boiler Guide team especially Katie Lane, [Michael Mayfield](#), [John Byrne](#) and [Chris Tyrrell](#). Looking forward to a bright future!



" I would like to thank Paul Heaven & his team at Jerroms for both the marketing of NPA24:7 & helping with the closure of the deal. They have been there to help guide us & grow the business over the years which culminated in the successful completion of the sale. A real partner from the beginning! "

MEET THE TEAM



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JERROMS GROUP:

Within the wider Jerroms Group we can advise on the most tax efficient deal structure and how best to manage the proceeds post-sale with our financial planning division.





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