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## **Your Transition Plan Might Need to Start Now**

Stonemill Partners @2017

Everyone wants to know the trick to successfully selling a business, or executing well on any exit strategy. Is it assembling a team of the best advisors, building a huge backlog or having a strong second tier of leaders?

Those things are great, but the secret to successfully selling a business is to actually **PLAN**.

When talking to firm owners, partners and principals we often hear that they are planning a transition or a sale of their business, "...in 4 or 5 years."

Our response to that is, that if that is the case, you should start the transition/selling process now.

### **Consider the following timing:**

- Once engaged, working with an M&A firm like us starts with a valuation. After that a marketing package is prepared. A target marketing plan is then prepared and we are ready to hit the market representing the business for sale. Prospective buyers are then identified.
- Once prospective buyers are identified, the initial conversation happens between the selling owner and prospective buyer. More conversation takes place, face-to-face visits take place, information is reviewed and next steps are identified.
- At this point the buyer is in a position to submit a Letter of Intent (LOI) to purchase. Once accepted by the seller, a period of due diligence opens up and lasts 30-60 days, agreements are prepared and finalized and closing then takes place, transferring ownership and monies.

- The timing of what I just described is anywhere from 9-16 months.
- Add to this a 2-3 year transition period where the selling owner stays on with the newly formed company and you arrive at a 3.5-5.5 year time frame where total transition takes place.
- Based on this, if your time frame objective of completing a transition is 3.5 -5.5 years away then the time to start the transition process, is now, especially with market conditions and other factors favoring sellers. It just might mean its time to consider selling your company for the best value.

What is your transition objective?

To learn more about the process of selling or making an acquisition, understand more about what we are seeing in the market and finding out what you could expect, contact us:

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