STARTING THE M&A CONVERSATION

CORNERSTONE BUSINESS SERVICES

AUG 2023

At the fall 2023 Enterprise Partner's Conference, Financial Advisor talks to Cornerstone at their booth about a business owner client that wanted to sell their business.

FALL 2023

The Financial Advisor arranged the initial meeting between the client and Cornerstone. Cornerstone then prepared a Fair Market Analysis (FMA) so the client could see the business's realistic value in today's M&A market. Using that valuation, the advisor and the client's CPA projected the after-tax proceeds, explored tax-minimization strategies, and ran a financial-planning model that showed how the sale would fund the client's lifestyle, removing the "what-if" worries and enabling a well-informed decision about going to market..

JAN 2024

Cornerstone created the Confidential Information Memorandum (CIM) while also preparing an extensive buyer/target list for the client to review and sign off on. Cornerstone brought the client's business to market running its Assurance 360^{TM} structured sales process which generated **120 potential buyers signing an NDA to review the CIM**.

FEB 2024

20 Indications of Interest (IOI) were received as initial offers from interested buyers. After reviewing the offers, Management Presentations were facilitated by Cornerstone to help the client choose which buyer would be the best fit for their specific goals and business.

MAR 2024

Letters of Intent (LOI) were received, and one was accepted for the sale of the clients' business. Cornerstone kept the Financial Advisor in the loop throughout the process, and was now able to update the GPS model created earlier in the process while Cornerstone negotiated and facilitated due diligence on behalf of the client.

JUNE 2024

The deal successfully closed in 6 months for an enterprise value 50% higher than the fair market analysis/valuation. The client was able to begin executing the financial plan they had been working on with their **Financial Advisor as the sale proceeds were wired directly into their investment account.** Seller's unsolicited commentary highlighted how overjoyed they were with the outcome and the process.

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ASSURANCE 360™

PROACTIVELY PROTECTING YOUR NEGOTIATING POSITION

1 START THE CONVERSATION

01 Value Enhancement
Grow the value of your business

02 Next Chapter
You are ready to do something different with your life

03 Exit Options
Get educated on all your options; choose best fit for you

2 KNOW BEFORE YOU GO

04 FMA Valuation
Understand true value of your business in today's market

05 Tax
Net Number
CPA
What is your Net Number after taxes, fees and debt

06 Lifestyle Number™
Financial Advisor
What dollar amount do you need to live your ideal lifestyle

3 MARKETING PREPARATION

07 CIM
Confidential Information Memorandum; Tells the story and growth potential of your business

08 Target List
Cornerstone to research buyers that best align with what is important to you in a deal

09 Sign Off
You will review and approve CIM, target list, OCA and other marketing materials

4 BRINGING BUYERS TO THE TABLE

10 Go to Market
Cornerstone executes its structured sale process to drive maximum interest while maintaining confidentiality

11 IOI
Indications of interest
All interested buyers will submit a high-level term-sheet; used to vet out low offers or other undesirable deal terms/buyer types

12 Management Presentation
Meetings facilitated by Cornerstone with vetted buyers to learn each other's stories, Q&A

5 NEGOTIATIONS & DUE DILIGENCE

13 LOI
Letter of Intent; Select buyers submit final offers, negotiate, identify best buyer fit for you, sign LOI

14 Due Diligence
Buyer to do a thorough review of all facets of the business; negotiate purchase agreement

15 Close
Finalize sale; Buyer wires money; You successfully start the next chapter of your life