

Price negotiation for merger and acquisition (M&A) transactions is no easy feat...

Buyers of businesses want to pay the lowest possible prices, while sellers want to extract the highest prices.

Buy -side due diligence

The financial melt-down has triggered a low appetite for risk amongst lending institutions and even strategic buyers. The reduced appetite for risk has led to the need for more pains-taking due diligence processes. However, Buyers should be cautioned that undue levels of due diligence could frustrate the sale process.

“ Nobody wants to sell their company to an unreasonable Buyer”.

Sell -side due diligence:

Small missteps in the M&A process can result in big value losses as savvy Buyers are looking for ways to get purchase prices adjusted for risks and liabilities identified. Sellers should have in-depth knowledge of their business' financial health and be ready to convey their position to potential Buyers.