THE EXIT ACADEMY

Choosing the right

M&A lawyer

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The Exit Academy

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Selecting the Right Deal Attorney

I mention this so many times throughout The Exit Academy and in my book, but selling a business is a complex process. Among other challenges associated with the exit process, legal matters lie at the center of an M&A deal, so having the right transaction lawyer is a critical necessity to both seller and buyer. For many entrepreneurs, determining the "right" lawyer is a daunting task, as the majority will have never sold a business before. Therefore, knowing what to look for in securing the services of a firm with the right expertise is, for many business owners, new territory.

Just as seller and buyer alike will have their own M&A advisors on hand, so too will each side have its own M&A lawyer. Your lawyer's negotiation skills, deal-making capabilities, reputation and ability to communicate effectively and efficiently can make the difference between a successful deal concluded and a deal gone horribly wrong. As with most things in life, you get what you pay for. In other words, this is not the time for you to cut corners. Finding the right representation is crucial. If your existing lawyer of 20 years does not have the clear in-house expertise, this is not the occasion to be inappropriately loyal. Too much is at stake.

Your lawyer plays a critical role throughout the selling-your-business journey; especially during the final leg of the M&A transaction process. Beginning with the purchase agreement and disclosure schedules, you will rely on their expertise. They will assist with legal due diligence, reviewing and helping negotiate a variety of pivotal closing documents. They'll also consider other fundamental documents, including non-competes, employment agreements, real estate leases, escrow agreement and so on.

As M&A advisors to clients around the world and from just about every industry imaginable, we have experienced lawyers on both sides that ranged from the truly superb to the astonishingly awful. That experience leads me to reiterate my point: the right lawyer can make the difference between success and failure in your transaction.

Do your research and choose wisely. Ask your M&A advisor for their opinion and assistance if need be. They'll recognize the significance of selecting the appropriate legal resource.

Here are some questions to ask when interviewing potential M&A lawyers in order to understand as to whether they're the right party or not:

1. How much experience does the firm or lawyer have? How many M&A transactions has he/she completed? The firm? Do they specialize in M&A?

2. Are they experienced in drafting and negotiating complex transaction agreements?

3. How do they focus on getting the right deal done vs any deal done?

4. Can they give you an estimate or range of expected fees? Will they offer you a fixed fee? Will they offer to cap their fees? (An inability to provide an estimate of fees may indicate inexperience. Also, don't let cost alone guide you to your selection; a qualified lawyer may cost more per hour but may also conclude a transaction more efficiently than a lesser qualified, cheaper firm,)

5. Do you feel that the lawyer would represent you well in the eyes of the purchaser?

6. How emotional is the lawyer? Does his/her temperament indicate he/she will work well with the opposing lawyer? Is he too arrogant? Too soft? A good listener? Will they help you keep your cool during negotiations? How experienced a negotiator are they?

7. Can they outline the critical issues they foresee that may have an impact on the sale of your business?

8. How accessible will they be throughout the process? Are they available during evenings and/or on weekends if need be?

9. Are the partners who pitched you going to be the partners working on your deal or will they allocate this to an associate or other junior team member?

10. How do they intend to keep you informed throughout the process? (Ensure that they don't keep you in the dark. This is your deal.)

11. What assurances can they provide that they won't "over-lawyer" the deal to rack up billable hours?

12. Do you feel they will properly prioritize the issues at hand?

13. How responsive will they be during the process?

Begin speaking with lawyers about these topics long before you'll require their services. That will ensure you sufficient lead time to speak with multiple firms and to get comfortable with the lawyer you choose before you officially engage their services.

Disclaimer:
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If you're considering the exit of your business, contact us at: **ExitSupport@markcarmichael.com**
We work with ambitious clients who want to make the most of their exits. Business owners from around the world come to us to determine their ideal exit strategies. Our market-leading approach to selling businesses drives the development, implementation and execution of the most effective sell-side strategies designed to achieve extraordinary results. We typically work with businesses with an enterprise value of $25 - $500 million.

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