THE EXIT ACADEMY

The Importance of

Presentation

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The Exit Academy

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Trust is essential to getting a deal done. One of the easiest ways to erode trust and confidence is by being sloppy, inaccurate or simply unprofessional. What is your response if you receive a cover letter with your name misspelled, or look at a resume that includes a typographical error or feels like it was designed in 1993? You're probably skeptical, if not downright dismissive.

First impressions matter. When conducting investor outreach, this means starting with the teaser, a one- to two-page overview of the opportunity designed to elicit a favorable response from the reader (essentially, "tell me more"). The teaser–as well as the accompanying personalized introduction email–is the first impression and is you and your advisor's first opportunity to put your best foot forward. Doing this means crafting a well-written, professional email that is individualized to the recipient and their company (please, do not allow template emails to be used!), encouraging them to open the attached teaser document. Our teasers are seldom longer than one or two pages, as we know that many investors review dozens of opportunities per month. Our objective is to gain their attention and leave them asking for more information–period.

That initial email is most often accompanied by a Non-Disclosure/Confidentiality Agreement. This too should be professionally written, free from any typos and within the general expectations for such a legal document. This all sounds very obvious, but you'd be surprised at the frequency of errors committed by sellers in this regard.

Thereafter, the outreach team follows up directly with the recipient by phone and email to confirm receipt, establish a direct connection, assess the party's interest and determine if they would like to discover more information about the target (your) company. Here it is important to ensure that the person doing the investor outreach is well-spoken, confident but not pushy, and possesses a likeable voice and phone personality. (Many advisors take shortcuts here by following up by email. We have found that the personal touch of following up by phone is far more effective.)

With the NDA eventually agreed, executed and returned, the Information Memorandum ("IM", or "Book") is released to the investor. It is essential that your advisor present a professionally designed, visually appealing and well-written document containing as much of the practical information as possible that an investor would want to see. This is not the occasion to cut corners. This document represents the life's work you now wish to sell for the highest price. It introduces your company's personality as well as its professionalism. It speaks to what people can expect from you. It speaks to the quality of the product and service you offer. The recipient likely sees multiple investment opportunities per week; ensure that yours stands above the rest in its presentation.

Depending on how far you've proceeded through The Exit Academy at the time you're reading this, you may already know that I'm a passionate advocate in creating supplemental documents that can be injected into discussions with potential investors to enrich the discussion and provide opportunities to build greater rapport with each investor. They not only allow us to showcase a particular feature of our client's company (think IP, awards won, interesting infographics, case studies, videos/drone videos of your facilities, customer testimonials, etc.). At the end of the day, every transaction is based on people dealing with people–and we know beyond any doubt that the stronger the relationship between the buyer and ourselves/our client, the more likely we are to advance into the later stages of the process with that party. Apply this across the entire pool of investors that your advisor is engaged with globally regarding the opportunity to acquire your business and you begin to see how more investors eventually take a seat at the negotiation table, resulting in the competitive bidding environment for your company that I continually emphasize the importance of.

All marketing documents should be professionally designed and carefully written and proofread. Such materials project sincerity and trustworthiness, while a poorly produced document achieves precisely the opposite effect. In our firm, we triple-check every document going out the door. That doesn't mean I personally read everything three times; rather, we have three different people read each document, looking for typos, grammatical correctness, consistency and overall tone and flow. Any of these parties, whether they are directors, outreach team members or researchers, are allowed to challenge the authors and propose revisions. Often a debate ensues, but in the end the document is all the better. It conveys the material facts and avoids overstatements and marketing nonsense such as "once in a lifetime opportunity," "future-proof technology" or "act now."

Standing out in a crowded M&A marketplace is the first step in generating increased investor interest. That interest, in turn, should lead to a competitive bidding scenario and higher probability for a successful transaction. When you create your marketing materials you are, in effect, getting ready for a first (and second, third...) date. So, dress up, stand tall, be intriguing, and show something to make them want more.

Disclaimer:
This document is produced for information only in general terms and its application in specific circumstances will depend on the particular facts. We always strongly recommend that you seek your own advice from a qualified M&A advisor and when appropriate, from your lawyer, accountant or other professional advisor as appropriate. The content and opinions expressed in this report do not constitute advice whatsoever and neither The Exit Academy, The Intelligent Exit nor any affiliated businesses, staff or other representatives shall be liable for any loss arising from your reliance on any of the information contained in it.

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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