

CONSIDERING 7 NOVEL APPROACHES TO DEAL STRUCTURE

Finding ways to address the gap between the buyer and seller is usually key, as a failure to do so can keep a deal from closing. If everyone involved from the principals to their advisors truly want a deal to be completed, then there is much that can be done.

Here are a few of the key “outside the box” approaches that can help ensure that your deal is completed.

7 Great Outside the Box Ways to Approach Deal Structure:

- 1) If the seller owns the real estate, let him or her lease the real estate to the buyer, as this will reduce the overall price.
- 2) A seller could also lease machinery and/or equipment to the buyer, again, effectively reducing the overall sale price.
- 3) With a fast-growing business possessing a big upside, consider allowing the seller to share in the growth, which can be achieved via an override or royalty over a set sales dollar amount.
- 4) Another idea is to place a fast-growing section of the business in a separate subsidiary with the seller owning part of this separate subsidiary. The buyer would retain an option to buy this subsidiary at a later date.
- 5) The buyer could buy 70% of the business now and 10% more each year for the following three years. This creative strategy decreases the initial sale price by 30%.
- 6) Have the buyer sit down face to face over dinner and discuss the issues.
- 7) Consider working closely with an M&A Advisor.



Alamo Corporate Group and its advisors have specialized in ownership transfers of closely held companies since the late 1980's. We offer a range of intermediary services including mergers, acquisitions, divestitures, buyer identification, management buyouts, debt restructuring and in very limited instances, acquisition searches for high-net-worth individuals and private equity groups.

Alamo's primary purpose is to provide an extremely confidential national service that brings buyers and sellers together through our extensive contacts in the financial and intermediary communities.

Our process is very structured, as experience has shown us that while each buyer and seller is somewhat unique, there are enough similarities that specific steps must be followed in order for transactions to close. Confidentiality is guarded throughout each step of the process.

3825 West Green Oaks Blvd, Suite 710, Arlington, TX 76016
(817) 615-8393

info@alamocorporategroup.com