

UNDERSTAND THE BUYER'S CONCERNS

The buyer is usually aware that the founder, owner, and CEO is principally responsible for running the business. If the company has no depth of management or is perceived to be a “one-man band,” the price for the business will be discounted. It is not wise for the CEO to overly brag about himself or let the seller know he has not taken a vacation in three years and works twelve-hour days.

The buyer is particularly concerned whether the earnings are really there or if last year was a spike in earnings. Will the earnings continue? Is the seller justified in all those add-backs? Almost all businesses have “some” travel and entertainment (T&E) expenses.



As a seller, be prepared to answer these questions:

- How do you grow the company?
- What is the Company's competitive advantage?
- If you had a million-dollar windfall in the Company's checking account, what would you do with it?

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.

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