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The Sale of Privately-Held Businesses

White Paper #2: The Sale Process

The information in this White Paper is intended to be a helpful resource for private company owners who are considering selling their business.

Timeline

In general, most M&A transactions require 6-12 months from the first step in the process until final closing.

Pre-Sale Activity

In collaboration with our clients, Harris Northwest Advisors will prepare the following documents:

- A short summary which briefly describes the company at a very generic level, keeping the name and specific details of the business confidential (the “Teaser”)
- A lengthier slide presentation, which describe the company, its history, projections historical financial results and management in detail (the Confidential Investment Memorandum, or “CIM”)

Together with our clients, we will develop a list of potential interested buyers for each specific engagement, drawn from our knowledge of the institutional market.

Initial Marketing Prospective Buyers

Harris Northwest Advisors will send out the Teaser (which does not identify the name of the company) to the mutually-agreed to list of potential qualified buyers. Depending on the size and nature of the business, this list of prospects could be as short as 20-30 groups or contain well over 100 candidates. Groups which are interested will sign a Confidentiality Agreement and receive the CIM.



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Offer Letters

After a sufficient period of time to evaluate the opportunity, prospective buyers will be asked to submit offer letters. Harris Northwest Advisors will create a competitive process among buyers to ensure full value is realized.

Closing Documents

Together with qualified legal counsel, due diligence will be undertaken and final closing documents will be negotiated. This part of the process, from initial agreement on price and deal terms to closing can be expected to take several months to complete.

For more information, please contact Harris Northwest Advisors CEO Ed Harris as follows:

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