

HIRT&FRIENDS EXECUTIVE BRIEFING



Dr. Michael Hirt

The Dos & Don'ts when you're buying a company

The acquisition of a company, either as a supplement to your existing business, or as a way to quickly create a basis for a new activity, is a challenging decision that should be made after careful consideration.

From my experience the following considerations can be helpful:

Clear transaction goals

What goals would you like to achieve with the acquisition? What should happen after the transaction? Do you have the necessary management skills to successfully develop the acquired company? What type of transaction is targeted (majority, minority, asset deal, share purchase, etc.)?

The right team

With which internal and external team (auditor, lawyer, M&A consultant, management consultant) do you ensure that the transaction is carried out in the best possible way to your advantage, i.e. at

the lowest possible price and risk, and with the best possible preparation for the later integration or implementation of your plans with the acquired company?

Financing

Timely securing of a competitive financing, which is also robust under different scenarios of the development of the new enterprise.

Exclusivity

Ideally, exclusive negotiations and the avoidance of competition for the object of purchase are your goal in order to achieve optimal conditions.

Valuation and contractual conditions

What is the range of your valuation in the negotiations and where are your areas of compromise in the valuation and contract?

Professional project management

How do you ensure that the transaction is professionally coordinated and executed while minimizing your personal time and burden on the day-to-day operations of your existing business?

Cultural fit

How can you ensure that you understand the differences and fit of the corporate culture between the buyer and the acquired company and act accordingly?

Professional Due Diligence

Carrying out a professional and comprehensive Due Diligence, i.e. the examination of the object of purchase before the purchase, in order to have optimal information for negotiations and risk management.

Involvement of the Managers

Timely involvement and commitment of the buyer's managers and the key managers and employees of the object of purchase.

Rapid integration

A well-prepared and quick integration of the newly acquired company into the existing organization or quick implementation of your plans for the further development of the company are decisive for your success.

In a Nutshell

Acquisitions are risky key events in the development of companies and entrepreneurs. They can only be successfully handled through professional preparation: PPPPP – “Proper Preparation Prevents Poor Performance” applies.

All the Best!

Michael Hirt

A free, monthly newsletter that provides managers with practical and quickly implementable measures to improve performance and results, based on the consulting approaches, books and seminars of Dr. Michael Hirt. Under www.hirtandfriends.at you have access to the newsletter archives and numerous other free resources. I hope you enjoy the implementation!

Dr. Michael Hirt



Forward



Share



+1



Share



Tweet

© 2017 HIRT&FRIENDS GmbH. Wir erteilen die Erlaubnis zur Weiterleitung und zur Verwendung der Inhalte unter Angabe der Quelle.

Copyright © 2015 HIRT&FRIENDS GMBH, All rights reserved.

[unsubscribe from this list](#) [update subscription preferences](#)