

TRANSACTION READINESS: Preparing Your Company For Sale (when you are not for sale)

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COMPANY

ACQUISITION

PANELISTS



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AGENDA

1. Clean up your books
2. Get your legal house in order
3. Get current on the status of your category
4. Align with market dynamics
5. Research your potential buyers
6. Prepare your team

CLEAN UP YOUR BOOKS



- HISTORICAL FINANCIALS NEED TO BE CLEAN, CONSISTENT, IN COMPLIANCE, AND CURRENT
- CHECK PREVIOUS AUDIT REPORTS AND CHECK OFF ALL AUDIT FINDINGS (NO REPEAT VIOLATIONS)
- CHECK THE CAP TABLE AND EQUITY ADMINISTRATION (SECTION 382)



CLEAN UP YOUR BOOKS

- TAX FILINGS ARE COMPLETE, FILED IN A TIMELY MANNER
 - SALES TAX
 - IP PLANNING (START SOONER THAN LATER)
- FINANCIAL SYSTEMS AND PROCESSES ARE IN PLACE FOR REPLICABILITY
- PRO FORMA FINANCIALS (EXCLUDING ALL ONE-OFF EVENTS)



GET YOUR LEGAL HOUSE IN ORDER

- ENSURE YOU HAVE AN NDA IN PLACE WITH ALL COUNTERPARTIES
 - FORM SHOULD BE EASY FOR BUYERS TO EXECUTE QUICKLY
 - CONSIDER A NON-SOLICIT TO PROTECT YOUR BUSINESS FROM THE LOSS OF KEY EMPLOYEES
- PREPARE FOR DUE DILIGENCE EARLY
 - CAP TABLE NEEDS TO BE BUTTONED DOWN
 - ALL EMPLOYEES AND CONSULTANTS MUST HAVE SIGNED DOCUMENTS THAT CLEARLY ASSIGN INVENTIONS TO YOUR BUSINESS AND PROTECT CONFIDENTIALITY



GET YOUR LEGAL HOUSE IN ORDER

- BE THOUGHTFUL WITH INFORMATION YOU PROVIDE:
 - IS IT COMMERCIALY SENSITIVE?
 - DOES THE INFORMATION CONTAIN PERSONAL DATA?
 - WILL DISCLOSURE CAUSE A BREACH OF CONTRACT?
 - IS THE INFORMATION ATTORNEY-CLIENT PRIVILEGED?
 - DO THE MATERIALS CONTAIN INFORMATION ABOUT THE SALE PROCESS OR PROSPECTIVE BUYERS?
- KEEP TRACK INFORMATION OF THE INFORMATION YOU PROVIDE
- DON'T FORGET TO GET IT BACK



GET CURRENT ON THE STATUS OF YOUR CATEGORY

- RESEARCH YOUR COMPETITORS (SOME OF THEM MAY BE YOUR POTENTIAL BUYERS)
- WHAT IS YOUR STANDING IN THE CATEGORY




ALIGN WITH MARKET DYNAMICS

- WHERE IS YOUR MARKET GOING
- HOW DOES YOUR BUSINESS FIT IN THAT CONTEXT



RESEARCH YOUR POTENTIAL BUYERS

- WHO IS DOING WELL?
- WHO IS DOING POORLY?
- WHO HAS A GAP IN THEIR PORTFOLIO?



PREPARE YOUR TEAM

- PREVENT LEAKAGE OF CONFIDENTIAL INFORMATION
- PLAN AHEAD FOR COMPANY-WIDE COMMUNICATION AND CONTINUITY

Q&A



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THANK YOU!

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