



## **OUTLINE OF BUYER REPRESENTATION SERVICES**

Sunbelt recognizes that determined business buyers need a determined partner. In these situations, buyers may opt to retain Sunbelt as their Buyer Representative. This service is designed for the individual, company or Private Equity Group seeking a strategic acquisition.

The goal of the Sunbelt buyer representation service is to identify and secure a business at favorable price and terms, in which our client will both prosper and enjoy. To achieve this goal, Sunbelt uses the following process:

- 1) **IDENTIFY YOUR NEEDS:** This is all about you and how Sunbelt will help you secure the most important asset you will ever purchase at terms favorable to you. Through a series of interviews, together we will determine initial acquisition criteria that will include critical factors such as type and size of business, number of employees, location, age, etc. As we go through the search your needs will evolve and become more defined. This is the most important step in the process and is paramount as we proceed to a closing.
- 2) **CREATE AN INITIAL DATABASE OF CANDIDATES:** Our database could include thousands of businesses; however, our goal will be to manage that list to about 1,000.
- 3) **BEGIN THE MARKETING CAMPAIGN:** We have a marketing process that involves multiple solicitations to the owner, by name, of the companies identified. Our methodology and timing of our solicitations is exact and produces proven results. We will have many responses with each wave of solicitations.
- 4) **USE OF THE LOCAL SUNBELT TEAM:** While marketing is critical to the process, just as important is follow-up and the ability to screen candidates. Currently, there are 50 staff members in the markets Sunbelt Midwest controls. Staff members will be assigned, according to experience levels, a part in the process of following up on marketing pieces and screening applicants.
- 5) **USE OF THE SUNBELT, IBBA and M&A SOURCE RESOURCES:** We belong to all 3 organizations. In addition to our local team, Sunbelt's national network of 300 offices affords access to experts in many types of businesses—both from a Mergers and Acquisition approach, as well as the actual experience of former business owners who are now part of Sunbelt. As we finalize our list of

- opportunities, the experience of our team will be invaluable to point out the specific concerns for specific industries. Not just in distribution, as an example, but in a specific type of distribution.
- 6) **INTERNAL PRESENTATIONS:** As Sunbelt finds businesses that meet your criteria; we will interview the owners, inform you of those businesses we feel meet your needs, and arrange for an interview with you.
  - 7) **OWNER INTERVIEWS:** Depending on the business and its circumstances, you typically first meet the owner at Sunbelt's office and eventually at the business site. By this time we will have a good idea of what price and terms the seller desires, level of motivation, and how well it meets your overall criteria.
  - 8) **NEGOTIATIONS:** We want to be negotiating with as many business owners as possible. By now, all of these businesses fit your needs. Terms and price are what we are after. For each of these individual negotiations we are creating the market for you. Here we agree to the general terms of a letter of intent.
  - 9) **LETTER OF INTENT AND FINANCING:** While we wish to secure a business, and have agreed to general terms, we want to make sure we have several contingencies to cancel our agreement should you be unhappy with the results of due diligence, are unable to fund the acquisition, etc. In the meantime, we want to keep your options open on the other businesses interested in selling to you until we have a closing. Once the letter of intent is agreed to, assuming there is additional financing necessary beyond owner financing, we will move to secure funding from a variety of sources prior to a definitive purchase agreement.
  - 10) **PURCHASE AGREEMENT AND DUE DILIGENCE:** This is where we bring in additional professionals, your accountant and attorney. While we will have established rapport with your accountant and attorney, we will have prepared the following for their review: a purchase agreement to be critiqued by your attorney for legal representation and your accountant to critique our allocation and tax strategy. While your legal representation prepares this document, we will be starting due diligence. During this process, we will involve both of these professionals as needed.
  - 11) **CLOSING AND FOLLOW-UP:** As we approach the closing date, all of the due diligence items (accounts receivable, payables, notes, inventory, work-in-process, agreements, document verification, customer and supplier lists, etc.) are verified. Once the attorneys and accountants agree, we close. The Sunbelt team will remain in contact to help insure a smooth transition for your new business.