

The Black Box Institute

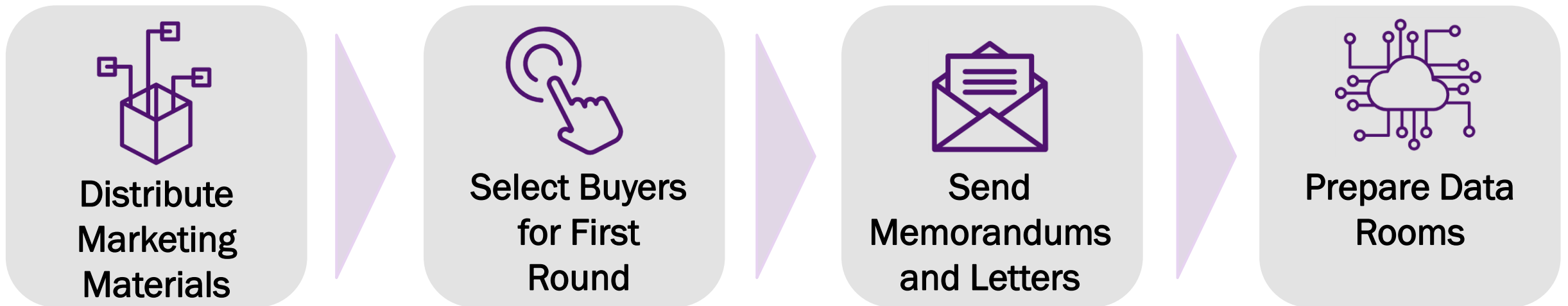
Sell-Side Mergers & Acquisitions

Phase 3: Engagement

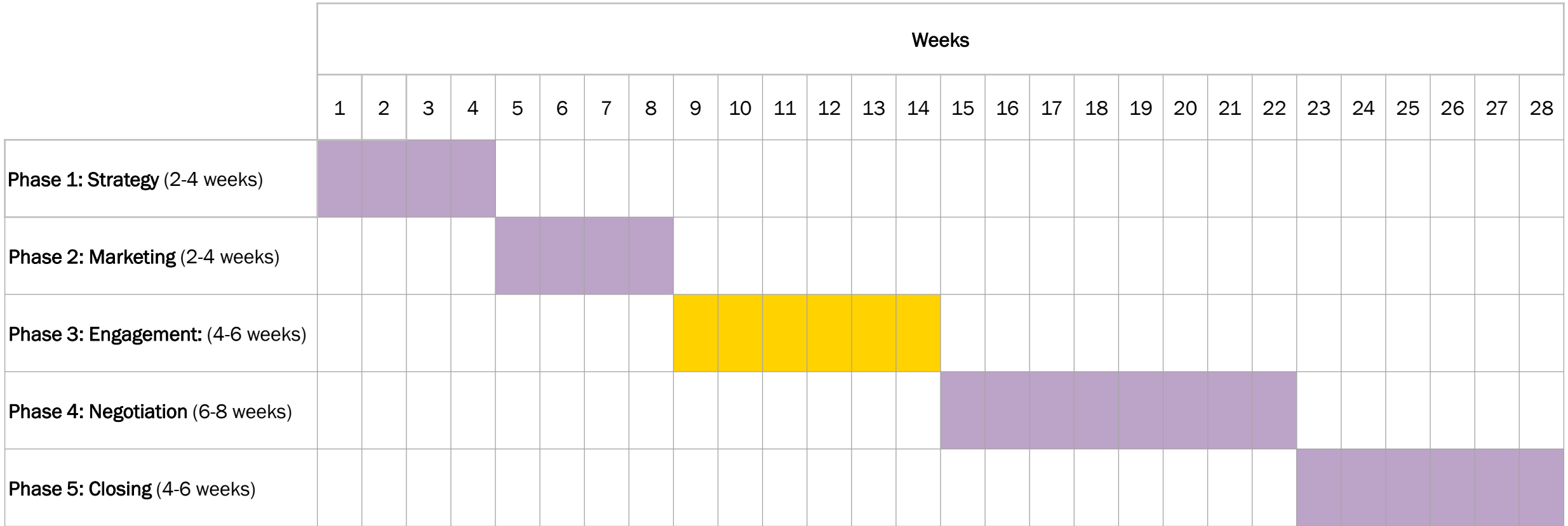
Introduction

Mergers and Acquisition (M&A) transactions describe the process of consolidating two separate entities. There are a variety of reasons why a company may decide to sell in an M&A transaction, ranging from strategic advantages to illiquidity and distress. The sell-side process describes the M&A transaction from the perspective of the seller. This five-part M&A series describes each of the distinct phases of the Sales Process: Strategy, Marketing, Engagement, Negotiation, and Closing. The overall timeframe for this process is 18-28 weeks.





4 - 6 Week Process



18 - 28 Week Process



After preparing the marketing package and process documents as indicated in Phase 2: Marketing, the next phase of the sales process is Engagement. At this point, the company should distribute the marketing material to potential buyers.

In addition, during this phase, the buyer will have an opportunity to negotiate the confidentiality agreements. Once this agreement has been finalized, the company can share non-public information to buyers.

1

Apply buyer evaluation criteria to short-list first round buyers

To identify the short-list first round buyers, the company can employ the evaluation criteria established in Phase 2: Marketing Step 2. This shortlist will be the primary focus in terms of data sharing and communications.

1 Send confidential information memorandum to first round buyers

2 Respond to solicited and unsolicited requests and inquiries

3 Distribute bid procedures letter

Information sharing is necessary to maintain engagement and interest from potential buyers. During this step, the company should send confidential information memorandums to the selected first round buyers. In addition, the company should respond to any requests and inquiries made by the buyers that will help them make a more informed decision.

The company should also distribute the bid procedure letter at this point to make potential buyers aware of the projecting timelines and procedures for submitting bids.

1

Organize due diligence data

2

Set up and populate data room

In preparation for due diligence from buyers, the company must organize and update due diligence data to populate onto the company's data rooms. These data rooms will ultimately be shared with potential buyers and therefore the accuracy and completeness of this data should be reviewed.

Dear reader, we have created a survey intended to help your organization assess its M&A strategy.

Please fill out the survey and we will get back to you shortly with preliminary results!

**Assess my organization's
M&A readiness**

TBBI Transaction Services:

Selected Experience



Phase 1: Strategy

Phase 2: Marketing

Phase 3: Engagement

Phase 4: Negotiation

Phase 5: Closing

Financial Advisor



assessment of value



Strategy and Financial Advisor





Strategy and Financial Advisor





Financial Advisor





Financial Advisor



Commercial Due Diligence



Financial Advisor





Financial Advisor



has merged with





Full Transaction Pipeline

Financial Advisor

investeco
CAPITAL

has sold an equity interest in

LOTEK
WIRELESS
FISH & WILDLIFE MONITORING

 The Black Box Institute

Strategic Advisor to the Executive Management Team

COM DEV
INTERNATIONAL

has sold its equipment business to

Honeywell

for

CDN\$472,000,000

 The Black Box Institute

Financial Advisor

COM DEV
INTERNATIONAL

has acquired

MESL
microwave

for **£12,100,000**

 The Black Box Institute

Financial Advisor

COM DEV
INTERNATIONAL


has acquired

PWS

for **USD\$23,000,000**

 The Black Box Institute


Financial Advisor

 **SUSTAINALYTICS**

got partially acquired by

MORNINGSTAR

for **EUR\$55,000,000**

 The Black Box Institute

Selected Transaction Experience

Financial Advisor



has acquired
TCS Inc.

Financial Advisor

True Risk Incorporated
was sold to
SUNGARD[®]

Financial Advisor



share reorganization

Financial Advisor



has acquired
Gould Industrial
Automation Systems

Financial Advisor

Equitable Bag
Was sold to a
management of


Financial Advisor



has acquired



Financial Advisor



share reorganization


Financial Advisor

Transatlantic
Marketing Group Inc.

share reorganization

Financial Advisor

Maclean Hunter
European Publishing

was divested to

(EMAP Plc at the time)

Financial Advisor

Data Business Forms

was divested to a
management-led
buyout group



The Black Box Institute

200 King Street West, Suite 1301, Toronto, Canada

www.theblackboxinstitute.com

+1.416.862.5487