



Merger Readiness Evaluation

Introduction

Firms considering a merger should plan in advance what their strategic objectives are for such a transaction. Further, in order to find the best possible solution for the firm and its owners, the firm should investigate the market and possible merger candidates before undertaking a search or being presented with a specific opportunity.

The firm should also evaluate its attractiveness and readiness to undertake a merger so that owners maximize the benefits of the merger.

Objectives

The objectives of this project are:

- Evaluate what strategic objectives the firm has for a merger such as ii) succession for some or all of the owners, ii) improved financial and professional opportunities and growth iii) ability to cross sell services and attract larger clients and staff, iv) the opportunity to become part of a another firm's succession team
- Evaluate the market in which the firm is seeking a merger in terms of the types of firms the firm should be targeting
- Develop an understanding of the types of transaction terms the firm should be seeking and is likely to be offered
- Develop an evaluation of the firm in order to gain an understanding of how candidates will view the firm in merger discussions
- Identify profiles or in some cases specific firms that should be targeted for merger discussions
- Build a plan of action for pursuing mergers

Process

Transition Advisors will:

- Conduct interviews of the owners and key management
- Obtain financial, operational, and demographic information about the firm and its owners
- Provide the firm with a preliminary evaluation of how well positioned the firm is to pursue a merger including what pitfalls and opportunities a merger will likely present
- After a summary discussion of the issues, a memorandum outlining the objectives, issues and recommendations for how to proceed
- In the event the firm is interested in pursuing mergers, Transition Advisors will assist in the manner the firm's management desires including searching for merger candidates, setting up introductory meetings, evaluating candidate firms, soliciting offers from firms found to be desirable, and helping with the process necessary to close a deal including due diligence, contract drafting and review, and transition planning. This will be done with the highest level of confidentiality at all times and no firm will get your true identity until you have first approved of them

Deliverables

- Interview process including preliminary evaluations and observations
- Planning memorandum
- Oversight of the process of deciding if and how to proceed
- Management and oversight of the process of pursuing a merger