

# Transition, Succession & Intermediary Services

*Creating a clear path to maximizing value*

## Unless you plan on running your business forever...

Now is the time to begin planning your transition, succession or exit strategy. Whether you are grooming a successor from within your ranks or plan to market your business to outside buyers, the sooner you have a strategic transition plan in place the more valuable your business can become. Filament assists you with that plan and ensures that your transition is as smooth and successful as possible. Filament prefers to begin working with a client at least two, preferably five or more years before a planned transaction. This ensures plenty of time to get everything in order so that buyer due-diligence flows as smoothly as possible.

When the time comes to market your business, Filament assists in the preparation of a marketing booklet that puts your best face forward and is easily digestible, even for potential buyers who are not fully familiar with your industry. Filament then takes the lead in the relationship between seller and buyer, and even assists the buyer in obtaining financing and getting settled into their new acquisition.

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**For entrepreneurs,  
exit planning is retirement planning**

## Transition Considerations

- Cash flow optimization
- Organic growth prior to sale
- Acquisition growth prior to sale
- Management team development
- Customer concentration issues
- Occasional use risk
- Recurring revenue streams
- Recession exposure
- Tax consequences
- Supply chain evaluation
- Systems building

## Services

- Transition/Succession/Exit Planning
- Operational Support
- Deal Structuring
- Business and Real Estate Brokerage

# Business Brokerage (Intermediary) Strategy: The Selling Process

**1**  
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We use our Business Information Organizer to collect vital information about your business, which will then be analyzed through our database of similar businesses.

*Objective: this will give you a top-level assessment of industry-wide performance and business valuation.*

**2**  
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We recast the business balance sheets and income statements (or in many cases, the owner's tax returns) to reflect the economic performance of the business.

*Objective: to report the fair market value of assets and discretionary income. This is what buyers will need to complete their buyer's assessment.*

**3**  
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We will complete a valuation report for your business.

*Objective: to justify the selling price.*

**4**  
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We prepare a Confidential Memorandum to enhance the presentation of vital business information when making presentations to prospective buyers.

*Objective: to present a polished and concise picture of the business that is easily analyzed by a potential buyer.*

**5**  
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We develop a branding & marketing plan to target the most likely buyers.

*Objective: package your business so that it creates value for the prospective buyer, and spread the word through targeted marketing efforts and by leveraging the business broker network.*

**6**  
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We screen all buyers that express interest in your business while maintaining your confidentiality.

*Objective: to engage with serious prospects, and to protect the client.*

**7**  
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We encourage the buyer to submit a formal Offer to Purchase.

*Objective: a signed legal document is the first real token of a prospective buyer's sincerity in wanting to purchase your business. Talk is cheap and until ink is on paper it's imprudent to curtail marketing efforts.*

**8**  
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We meet with seller to view buyer offer. If seller agrees to structured offer, Filament will facilitate the buyer's further examination of business (due diligence process).

*Objective: Filament Business Advisors is a full service, boutique business intermediary. As such, we act as the seller's representative on any and all matters that arise from listing to closing. However, all decisions are the seller's and at no time shall Filament act as attorney-in-fact for a client unless the proper paperwork has been filed.*

**9**  
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We arrange closing and assist buyer in structured financing.

*Objective: Filament Business Advisors maintains relationships with business attorneys as well as many community, regional and national banks as well as SBA and private lenders and investors to help facilitate a clean closing.*

## Filament's Network

As a part of the Filament family of companies, Filament consultants have access to resources ranging from marketing to accounting to information technology assistance to help business owners achieving top line results. Filament has spent years developing relationships with attorneys, CPA's, commercial real estate brokers, business equipment specialists, designers, marketers, product vendors and venture capital groups, among other professional partners. The result is a fluid working relationship with these partners, who are vital to a successful launch. An added benefit is discounted pricing for our clients, as Filament absorbs much of their liability and workload.

## Financing

Do you have hundreds of thousands of dollars lying under the mattress? Well neither do most prospective business owners! That's why Filament has developed a database of venture capitalists, angel investors, community banks, national banks and non-traditional lenders who will finance you at all stages of the growth of your business. As an optional part of our engagement contract, we help to facilitate a relationship between you and potential financiers, which increases the likelihood of your deal closing.

But our services go further than that. We get to know your business so well that we can negotiate with financiers on your behalf, educating underwriters about your business and giving them the peace of mind that is often the difference between a done deal and a dead deal. And better terms for you make the likelihood of your success that much greater.

Filament also offers transition consulting to you after purchase. From time to time this additional support is enough to get a "yes" from the financing entity, especially in the case of a buyer who is new to an industry.

## Confidentiality Guidelines

- All correspondence (verbal and written) between seller and Filament is to be held in strict confidence.
- No information will be shared with third parties without consent from the seller.
- Confidentiality is bound by "Broker's Confidentiality Agreement," which includes any potential buyers who may be interested in your business.