



# NAVIGATING THE SALE JOURNEY

## Your Guide to Successfully Selling Your Business

The Managed Negotiated Sale Process



### OVERVIEW

In a Managed Negotiated Sale Process, Pacific proactively solicits potential buyer parties from various categories such as industry, synergistic, strategic, or financial and directly negotiates a deal that is acceptable to you under your terms and conditions. This process is typically best suited for smaller companies with transaction values of under five million in revenue. Please note that a Managed Negotiated Sale Process may also have competitive and/or structured elements.

## PHASE ONE

### Step 1

#### Discovery Meeting and Letter of Direction

##### *Overview:*

Conduct a comprehensive meeting to understand your goals, motivations, and long-term vision for the business.

##### *Next Steps:*

After achieving mutual understanding and alignment, issue a Letter of Direction to formally initiate the Assessment of Market Value (AMV) analysis.

### Step 2

#### Information Gathering and Interpretation of Market Value

##### *Overview:*

Gather all pertinent financial, operational, legal, and corporate information required to perform an in-depth AMV analysis. Include any additional factors that may influence the company's value.

##### *Materials Provided:*

Provide a structured list of required documents and two specialized questionnaires—one focused on operational insights and the other on financial performance.

### Step 3

#### Market Value and Saleability Analysis and Report Including Structure, Tax, Investment, Financing and Other Considerations

##### *Overview:*

Upon collecting all necessary data, conduct a thorough Market Value and Saleability analysis. Assess the company's current market position and identify potential opportunities.

##### *Quality Assurance:*

Complete an internal peer review to validate methodologies, ensure data integrity, and confirm all assumptions. Produce a comprehensive and objective report.

## MANAGED NEGOTIATED SALE PROCESS

### Step 4

#### Value Proposition Insight and Discussion

##### *Overview:*

Present the findings and outline the key value drivers and their implications on business worth.

##### *Discussion Points:*

Review valuation approaches, deal structures, market options, tax implications, and other relevant factors that may impact the sale strategy.

### Step 5

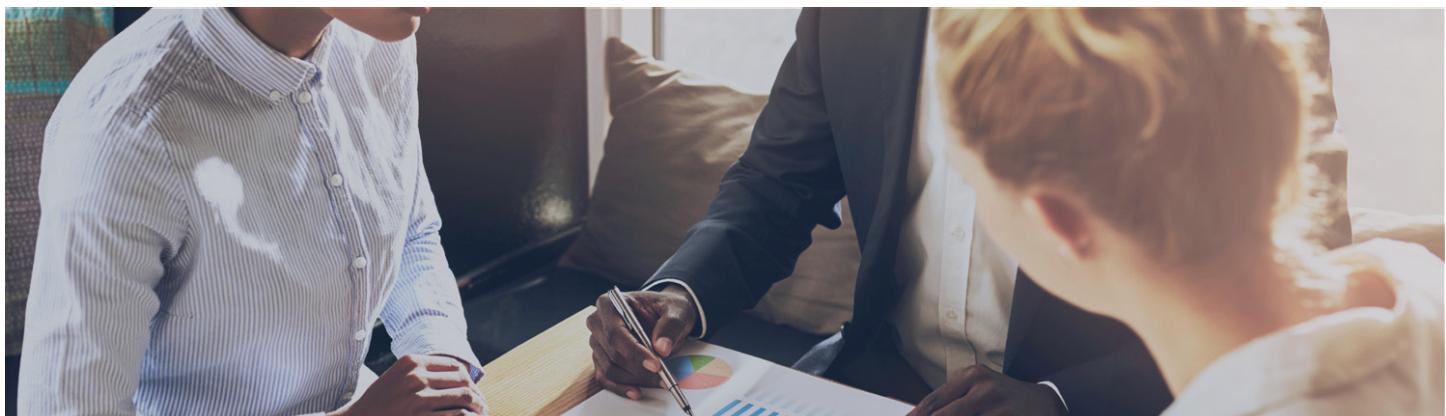
#### Strategic Consultation and Market Readiness

##### *Overview:*

Initiate strategic discussions to prepare the business for market, including entry approaches, timelines, and best practices.

##### *Collaborative Input:*

Coordinate with investment, accounting, tax, and legal advisors to build a comprehensive strategy that maximizes value and minimizes transaction-related risks.



## PHASE TWO

### Stage 1

#### Strategic Market Identification, Preparation, and Internal Due Diligence

This foundational stage sets the tone for a successful transaction and includes:

##### *Buyer Target Identification:*

Conduct market research to identify potential buyers aligned with the business's objectives.

##### *Development of Marketing Materials:*

Prepare marketing documents, including Pre-NDA non-disclosing/blind teasers and Confidential Information Memorandums (CIMs), to professionally represent the business to potential buyers.

##### *Virtual Data Room Setup:*

Establish a secure virtual data room to control information sharing. Segment materials by buyer group and maintain full control over access and timing.

### Stage 2

#### Buyer Target Outreach

This critical stage focuses on engaging potential buyers and includes:

##### *Global Market Exposure:*

Implement strategies to present the business to a broad range of qualified buyers across international markets.

##### *Strategic Target Solicitation:*

Initiate outreach to strategic buyer targets that meet predefined criteria.

## MANAGED NEGOTIATED SALE PROCESS

### *Interest Validation and Non-Interference and Non-Disclosure Agreement (NINDA) Process:*

Assess buyer interest through validation measures and manage the NINDA process to ensure confidentiality.

### *Buyer Information Management:*

Oversee negotiations, manage buyer inquiries, and collect expressions of interest.

### *Coordination of Seller/Buyer Meetings:*

Organize and manage interactions between seller and buyer parties to support productive discussions.

## **Stage 3**

### **Formal Offering Negotiations Process**

In this pivotal stage, we assist with:

#### *Identifying "Best Fit" Buyer Candidates :*

Evaluate potential buyers to identify those who align best with your objectives.

#### *Soliciting Offers and Managing Expressions of Interest (EOIs) or Letters of Intent (LOIs):*

Invite formal offers and manage the process for Expressions of Interest (EOIs) and Letters of Intent (LOIs).

#### *Facilitating Offer Discussions :*

Lead structured discussions regarding offers, with attention to financial, legal, and strategic requirements.

#### *Identifying the Successful Buyer Candidate :*

Support the decision-making process to select the buyer most aligned with transaction objectives.

## **Stage 4**

### **Due Diligence and Structure Management**

This stage ensures a seamless transition through:

#### *Formal Due Diligence Management:*

Coordinate the buyer's due diligence across all operational, financial, and legal areas of the business.

## MANAGED NEGOTIATED SALE PROCESS

### *Facilitating Conditions and Communication:*

Support fulfillment of conditions and maintain clear communication between all parties and advisors.

### *Information Flow Management:*

Control the distribution and timing of documentation to ensure efficient due diligence review.

### *Management of Structure Changes:*

Oversee adjustments to the transaction structure prompted by due diligence findings.

## Stage 5

### Closing

In the final stage, we provide critical assistance with:

### *Information Exchange and Agreement Development:*

Enable the exchange of final information to support the drafting, review, and negotiation of definitive legal agreements.

### *Timeline Management:*

Maintain clarity and accountability around transaction milestones to ensure timely completion.

### *Ancillary Documents and Instruments:*

Support preparation and finalization of ancillary documents required to close the transaction.

### *Transition Planning:*

Coordinate planning for business handover and continuity post-close.

### *Inventory and Working Capital Pro-Formas:*

Ensure accurate calculation and presentation of inventory and working capital balances.

### *Closing Management:*

Oversee final closing activities to ensure proper execution and documentation of the transaction.



### PHASE THREE

#### Post-Transaction Integration

While this is not always part of a typical advisory role, we at Pacific believe in continued support. We offer:

##### *Post-Closing Follow-Up:*

Conduct follow-up with clients after closing to ensure ongoing support remains available as needed.

##### *Merger Integration Assistance:*

Offer integration assistance upon request to help facilitate a smooth transition and support the realization of post-transaction synergies for all parties.

# PACIFIC MERGERS AND ACQUISITIONS INC.

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