



Strategic or Financial Buyer

419 The Parkway # 224, Greer SC 29650
810 623 4152 – info@chvgroup.com

When you prepare for the Sale of your Business, many different scenario' are considered, one of the most intriguing and impactful is the approach for a financial or strategic buyer. Both have pro's and con's, depending the Sellers wishes. From an Intermediary perspective, the Strategic sale is in most cases a more elaborate task, needs more diligence about confidentiality and research.

Your Company	Strategic Buyer	Financial Buyer
How you prepare your Company, Organization	How your Company will fit into their growth Strategy	How your company acts as a standalone investment
Your current Position in the Market, Intrinsic Value	What you can add to their Market Position	Imperative and needs to be much more detailed
Your presentation of future vision and growth, Strategy	Already have a growth plan, how do you fit in	Will have to Model within their Criteria and Finances
The timing of your exit from the Company	Typically ends with 6 months to 2 years	Continues
The Importance if internal rate of return (IRR)	Not important, future potential determines	Very Important, will have a target IRR (25-35%)
Control and Governance	Upon your exit, left in the hands of the acquirer	Strategy moves to Buyer, Operational remains
Valuation and Proceeds	Valuation usually higher than financial, all proceeds are usually paid upfront	Valuation typically lower than strategic, Partial sale preferred with Seller note
Risk and Leverage	Little to no post-transaction risk	Continues post transaction
Deal structure and tax implications	Unique structure	Tend to be more complex

CHV Group LLC is a Business Intermediary and Business Advisory with Focus in Manufacturing, Distribution and Business Services for Companies with Sales of 2 – 15 Million Dollars. We focus in Strategy, Leadership and Operational Excellence.

Contact us at: 864 641 8131 or info@chvgroup.com