Integrated Financial Arrangements Ltd
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GUIDE 1: THE BENEFITS OF A GOOD FIT FOR THE BUYER

Finding a good fit between your firm and one you plan to acquire, should be at the top of your list of priorities, or at least alongside price. The following list (set out in no particular order), provides some guidance on the approach to this key area:

Information asymmetry

- Buyers often know more about acquisitions than sellers do. This is rarely to anyone's advantage.
- Level the playing field by making sure the seller does their homework. Start as you mean to go on.

Self-awareness

- Diagnose and plan your own situation before taking action.
- Build out an acquisition model, run the numbers and test some scenarios

Negotiations

- Keep stress to a minimum by setting a fair price, deal structure and
- managing expectations.
- Deal structure (like low initial considerations, earn-outs and potentially punitive terms) can be minimised when a good fit exists.

Resources

- Manage resources effectively and reduce stress throughout the deal phase.
- If you know there's a good fit and that your acquisition strategy and model should work for the seller, you can be straight and consistent in your approach.
- Minimise legal and accounting costs, by acquiring a firm that's similar to your own and therefore the deal doesn't require lots of legal and accounting structure to support it.

Integration

- Increase the chances of integration success and reaching payback (i.e. getting into profit on the deal).
- Avoid post-merger drift and assert culture, to help bring the two firms together.

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