

THE MISSING STRUCTURE

A COMPARISON OF DEAL CHARACTERISTICS

PRIVATE TRANSACTION WITHOUT AN INTERMEDIARY VS. TRANSACTION WITH POE GROUP ADVISORS

TRANSITION AFTER CLOSING

<p>Transition is lengthy with an uncertain end. Differences between buyer and seller as to management of the firm are common. When it comes to reporting problems and seeking advice, clients and staff may be confused about whom to approach. Seller is unable to “move on” with other important life goals. Buyer is unable to step out from under the shadow of the previous owner.</p>	<p>Transition is expedited. Parties develop an effective, strategic transition based on key concepts acquired over a large number of closed transactions. Roles and responsibilities are clear. The buyer is empowered to excel at managing the practice and the seller is able to leave the practice to focus on retirement or other more important opportunities.</p>
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PROCESS

<p>Selling is time-intensive which can put a strain on operating your business and consume your personal time.</p>	<p>We are the experts in working with and motivating buyers while making the process clear and straightforward. We introduce qualified buyers who are financially and professionally capable of purchasing your practice, knowing you’d rather not waste time with anyone else. We have served clients with significant business sales experience of their own (gained by helping their past clients) engage us because of our contacts, but cite the ease of our process as one of the greatest aspects of our service.</p>
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FAIR MARKET VALUE

<p>Value is determined by negotiations between the seller and the single buyer or a relatively small number of buyers with various levels of interest.</p>	<p>Price is best negotiated by matching the practice with multiple suitable and motivated buyers. We have a ready stable. We are the market leader and have the largest number of potential buyers in your area. The cumulative effect of years of marketing to the accounting profession on a nationwide basis, coupled with our proven system of identifying suitable buyers produces the intended results.</p>
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TERMS

<p>The most common structure employed in private transactions is an “earn-out” formula where the buyer pays over a number of years based on a % of future collections. The payout that the seller ultimately receives therefore depends on the buyers ability to retain clients. Responsibility for client service is often borne by both buyer and seller which is confusing for both parties and for the client. Disputes over client retention are frequent. Disputes over client service are also common. The seller often ends up involved with the firm in some capacity during the entire earn-out period.</p>	<p>Our most common structure is an all-cash or all-cash equivalent transaction. By maximizing the number of potential buyers (as cited above) the seller is also able to negotiate fair terms. The price is fixed as of the date of closing. The buyer bears responsibility for client retention. Additionally, we have a network of specialized banking professionals which enables us to help buyers get attractive loans while allowing sellers to receive cash at closing. Being fully released from the financial risk of ownership, the seller experiences a “clean break” providing the freedom to effectively pursue new endeavors.</p>
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FEES

<p>No fees for the intermediary.</p>	<p>The NET amount realized is what is ultimately important. Past clients have been pleasantly surprised by the price and terms achieved with us when contrasted with transactions that were contemplated prior to our involvement. The likelihood is excellent that we can get more for your practice than if you sell on your own even after paying our success fee.</p>
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