



Business Brokers of Small and Lower Mid-Market Companies
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The Codiligent Difference

	Average Broker	Average Investment Banker	Codiligent Broker
Analysis & Valuation			
Simplistic multipliers used to roughly estimate value	X		
Thorough analysis to identify marketability and value drivers and inhibitors		X	X
Recasts up to six years of financial statements and develops five-year projections based on historical trends, ratios, and qualitative information		X	X
Multiple approaches to value are used to develop pricing strategy		X	X
Packaging			
Often no introduction package is developed, and if there is one usually it is a one-page info sheet with less information than a residential real estate listing	X		
Even after buyer submits a confidentiality agreement, sparse information is provided forcing the buyer to ask extensive follow-up questions in order to gain enough information to make an acquisition decision	X		
Develops custom introduction package (3-10 pages) that is compelling enough to entice a buyer to sign a confidentiality agreement to gain more information		X	X
Develops confidential package (40-150 pages) that provides enough detail to allow buyer to make an informed acquisition decision with limited follow-up questions, resulting in increased probability of high quality offers		X	X
Develop due diligence data room package with typical buyer-requested documents		X	X
Packages are based on comprehensive quantitative and qualitative analysis to ensure that the business is accurately marketed in a compelling way		X	X
Marketing			
Places advertisements on a few major business sale websites	X		
Determines characteristics of logical acquirers and develops a custom marketing plan to reach targeted acquirers that may include the following . . .		X	X
Places advertisement on all major business sale websites			X
Advertisements are placed on over 150 business websites including the Wall Street Journal, The New York Times, Bloomberg Businessweek, The Los Angeles Times, San Francisco Chronicle, Chicago Tribune, and business journals throughout the country			X
Utilizes sophisticated research tools and techniques to locate targeted acquirers		X	X
Sends introduction packages to researched targeted acquirers		X	X
Advertising in industry association publications and websites			X
Promote the business as a co-broker opportunity to hundreds of brokers nationwide			X
Contact potential buyers who are in broker's database	X	X	X
Set up Google Adwords campaign to attract buyers searching for relevant key words			X
Profile the business in highly indexed blog postings & social media			X
Provide introduction package to private equity groups that target small companies and to private equity groups who have portfolio companies for which business may be a good bolt-on		X	X
Send introduction package to network of hundreds of professionals who may know of active buyers that would be interested in the business being marketed			X
Utilize a private network of 7,000+ mid-market deal professionals worldwide to get introduction package in front of the most active buyers			X

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Confidentiality			
Doesn't give enough non-confidential information up-front, which forces buyers to sign a NDA and learn identity of the business even if it isn't an appropriate match – increasing the risk of breaching confidentiality	X		
Provides introduction package that gives enough information so that inappropriate buyers will self-screen without signing a NDA and learning the company's identity		X	X
Screens buyers based on seller's confidentiality criteria & designated excluded buyers		X	X
Checks for buyer conflicts before releasing confidential information packages		X	X
For individual buyers, obtain certified statement of worth and income to verify likely ability to consummate transaction before releasing confidential information package			X
Negotiation			
Passive role in negotiating the deal. Views primary job as matching buyer and seller	X		
Establishes a negotiation strategy using tested ideas, strategies, and tactics		X	X
Helps clients understand and evaluate the risk-adjusted present value of deal structure		X	X
Leads the negotiation of the Letter of Intent with input from Seller's Attorney and CPA		X	X
Average seller financing = 43% of deal	X		
Average seller financing is <15% of deal, with about 25% of clients carrying no financing			X
Due Diligence			
Facilitates due diligence meetings but doesn't play an active role in the process	X		
A secure, well-organized, on-line document room makes due diligence more efficient		X	X
Ensures that all due diligence conditions are met, and that information is delivered in an organized way to prevent deal-killing confusion		X	X
Reviews information for accuracy and to ensure that it is presented positively		X	X
Purchase Agreement / Legal			
Leaves the purchase agreement negotiations up to the attorneys	X		
Helps client select and manage the best attorney for the deal		X	X
Previously negotiated detailed Letter of Intent makes purchase agreement easier		X	X
Is actively involved with purchase agreement negotiations, reviews and provides input to seller's attorney and client on purchase agreement		X	X
Closing			
"Let the buyer, seller and their attorneys work out the closing details"	X		
While it is appropriate for a seller to engage other professionals to assist with the closing (i.e. attorney, escrow company, etc.), the closing conditions still needs to be managed by broker / investment banker to ensure a successful on-time closing		X	X