



Business Brokers of Small and Lower Mid-Market Companies

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The Codiligent Difference

	Average Broker	Codiligent Broker
Analysis & Valuation		
Uses simplistic multipliers and rules of thumb based on industry averages applied to basic recast financials to roughly estimate value	X	
Performs thorough financial and qualitative analysis to identify strengths, weaknesses, marketability issues, and opportunities using Codiligent's proprietary analysis tool		X
Recasts up to six years of financial statements, create statements of cash flow, determine operating free cash flow, and develop five-year projections based on historical trends, ratios, and qualitative information		X
Utilizes multiple approaches to value and then works with client to develop a pricing strategy consistent with client's goals.		X
Packaging		
Produces a 1-page information sheet with less information than a residential real estate listing	X	
After buyer signs a confidentiality agreement, limited information is provided which often includes little more than copies of financial statements. Without extensive follow-up questions, a buyer will not have enough information to move forward.	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
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
Develop due diligence data room with all of the typical documents a buyer will require after agreeing to purchase business		X
All packages are based on comprehensive quantitative and qualitative analysis to ensure that the business is accurately marketed in a compelling way		X
Marketing		
Places advertisements on a few major business sale websites	X	
Determines characteristics of logical acquirers and then develops a custom marketing plan to reach targeted acquirers that may include the following . . .		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, The Baltimore Sun, and business journals throughout the country		X
Utilizes sophisticated research tools and techniques to locate acquirers who meet target profile		X
Sends introduction packages to researched targeted acquirers		X
Advertising in industry association publications and websites		X
Promote the business as a co-broker opportunity to hundreds of brokers nationwide		X
Contact appropriate buyers who may be interested in the business that are in broker's database of several thousand contacts	X	X
Use paid inclusion Google search advertising, to attract buyers searching for relevant key words		X
Profile business in highly indexed blog postings		X
Provide introduction package to small private equity groups, if appropriate (Codiligent has about 300 in its database that will consider small and lower mid-market companies)		X
Send introduction package to hundreds of attorneys, CPAs, wealth managers, and consultants 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 in the world		X

Negotiation	Average Broker	Codiligent Broker
Plays a relatively passive role in helping client negotiate deal. Views primary job as matching buyer and seller - the seller and seller's attorney play the lead role in negotiating the deal	X	
Proactively helps client to establish a negotiation strategy using tested ideas, strategies, and tactics		X
Helps clients understand the value of asking for and granting a variety of concessions, and discusses creative deal structure options		X
Codiligent uses proprietary tools to help clients understand and evaluate the risk-adjusted present value of different deal structures		X
Will actively negotiate a deal on behalf of a client within certain parameters, or will act in an advisory capacity depending on seller's preference		X
Average seller financing = 43% of deal	X	
Average seller financing is less than 10% 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	
Sets up a secure, well-organized, on-line document room to make due diligence more efficient		X
Manages due diligence information requests to ensure that all conditions are met, and that the information is delivered in an organized way to prevent deal-killing confusion		X
Active participant in the due diligence process making sure that while information is presented accurately it is also presented in the best possible light		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 process still needs to be managed. Codiligent helps manage the process to ensure a successful on-time closing		X
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 breaches of 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
Screens buyers based on seller's confidentiality criteria and designated excluded buyers		X
Seeks information on buyer conflicts before releasing confidential information packages		X
Obtains brief bio and certified statement of worth and income to verify likely ability to consummate transaction before releasing confidential information package		X